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Capitalism, Socialism and the State

Part II

Richard Adamiak
Giuseppe Are
Jeffrey W. Barrett
Nora Beloff
Gino Bianco
Julius Gould
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Amy W. Knight
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Michael Sadykiewicz
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State and Society in Early Socialist Thought

Richard Adamiak

THIS article is a study of the early nineteenth-century socialist (including communist) analyses of capitalist society with special reference to the state.[1] In the light of their analyses, certain of their plans for the role of the state in their respective future societies are examined. The second part of the article is a review of the relevant aspects of the estimates of rival radical systems expressed by several of these early socialists.[2]

We begin with a synopsis of the early socialist critique of capitalism, followed by its analysis of the state in that context. Naturally the synopsis exhibits a degree of conciseness not found in the individual systems, but it is an accurate rendering of their salient elements which do exhibit a striking consistency regarding capitalism and the capitalist state. Full documentation is provided to demonstrate this consistency.

THE early socialists do not see the inexorable and harmonious operation of "the invisible hand" sustaining the tumultuous visible phenomena of capitalism. In the view of the Saint-Simonian school, society is in a state of "permanent anarchy," so pervasive that

[1] There does not appear to exist any systematic study of this subject; the following contemporary expositions of the systems, which tend to be neglected, may be consulted with great profit: Louis Reybaud, *Etudes sur les Réformateurs Modernes* (Guillaumin, Paris, 1840), and subsequent editions; Lorenz von Stein, *Der Sozialismus und Communismus des heutigen Frankreichs* (Leipzig, 1842); Karl Grün, *Die soziale Bewegung in Frankreich und Belgien* (Darmstadt, 1845); Alfred Sudre, *Histoire du Communisme ou Réjutation Historique des Utopies Socialistes* (Paris, 1849 and later editions); the following modern works may be consulted as introductions to the various systems: Anton Menger, *The Right to the Whole Produce of Labour*; trans. M. E. Tanner (Macmillan, London, 1899); Vilfredo Pareto, *Les Systèmes Socialistes* (2nd ed., Geneva, 1926); Alexander Gray, *The Socialist Tradition: Moses to Lenin* (Longmans, London, 1946); individual chapters of Werner Sombart, *Der proletarische Sozialismus* (10th ed.; Fischer, Jena, 1924); Thilo Ramm, *Die Grossen Sozialisten als Rechts- und Sozialphilosophen* (Fischer, Stuttgart, 1955); Georges Weill, *Histoire du Parti Républicain en France*: 1814–1870 (Paris, 1948); J. L. Talmon, *Political Messianism: The Romantic Phase* (Praeger, New York, 1960); G. Isambert, *Les Idées Socialistes en France*: 1815–1848 (Alcan, Paris, 1905); G. D. H. Cole, *A History of Socialist Thought*, Vol. I, *The Forerunners* (Macmillan, London, 1955); Frank E. Manuel, *The Prophets of Paris* (Harvard, Cambridge, 1962); George Lichtheim, *The Origins of Socialism* (Praeger, New York, 1969); Charles Gide and Charles Rist, *A History of Economic Doctrines*; 2nd English ed., trans. E. F. Row (Harrap, London, 1948).

[2] This important and fascinating subject has received very little attention, and virtually none of late; an exhaustive analysis of personal and ideological relations between the Saint-Simonians and Fourierists is presented in Henri Levancour's *De Henri de Saint-Simon à Charles Fourier* (Chartres, 1913); Herbert Bourguin's unsurpassed *Fourier* (Paris, 1905) devotes some attention to other radical critiques of Fourierism; some aspects of the English Fourierist critique of Owen are noted in Richard B. Pankhurst, "Fourierism in Britain," *International Review of Social History*, I (1956); Karl Diehl, *P. J. Proudhon: Seine Lehre and Sein Leben* (Jena, 1890) Part II, pp. 479–510.

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it has upset the natural harmony of domestic relations.[3] Earlier, Saint-Simon had concluded that European society was still in a condition of revolution which began when Luther shattered the unity of the church, and continued when the *philosophes* undermined the institutions and doctrines of Christianity.[4] For Fourier it is an "affreux chaos politique," and John Bray describes it as "a human chaos," a scene of "perpetual strife and confusion." [5]

Sustaining this condition is "the ever active and ever-warring principle of competition." [6] Despite their revulsion, few of these thinkers failed to express their approbation of some of the remarkable accomplishments of capitalism. It had created towns, undermined and finally overthrown the feudal order, and had wrought great advances in exploration, commerce, invention, transportation, and communication. Most important, it had, by industrial advance, developed productive capacity to a degree which could create wealth "without any known limits." [7] By adopting the organizational measures necessary for the productive process it had demonstrated the superiority of the method of association in production.[8] Of course, the capitalists did not effect these advances for the benefit of humanity; they resulted from "*la marche incessante de la classe avide et orgueilleuse*" in its determination "*exploiter partout la race humaine.*" [9]

That same motivation sustains the process in the present and as a result, in the words of Robert Owen:

> ... fortunately for mankind the system of individual and opposing interests has now reached the extreme point of error and inconsistency—in the midst of the most ample means to create wealth, all are in poverty. [This results from] some defect in distributing this extraordinary addition of new capital throughout the society, to speak commercially, from the want of a market, or means of exchange, co-extensive with the means of production.[10]

[3] *Doctrine Saint-Simonienne* (*Nouveau Christianisme*): *Exposition par Bazard* (1829, 1830) in *Oeuvres de Saint-Simon et Enfantin* (Paris, 1865–1878), XLI, pp. 85–8.

[4] Saint-Simon, *Réorganisation de la Société Européenne*, *Oeuvres*, XV (2), pp. 234–6; *Du Système Industriel*, *Oeuvres* XXI, pp. 77–8, 168, 103; *Le Nouveau Christianisme*, XXIII, pp. 141, 158, 167.

[5] Charles Fourier, *Théorie des Quatre Mouvements* (1808) in *Oeuvres Complètes de Ch. Fourier* (Anthropos, Paris, 1967), I, p. 101; John Bray, *A Voyage from Utopia* (1841–42), ed. by Lloyd-Prichard (Lawrence and Wishart, London, 1957), p. 79.

[6] J. F. Bray, *Labour's Wrongs and Labour's Remedy* (Leeds, 1839), pp. 117–8.

[7] John Gray, *A Lecture on Human Happiness* (1825) (London School of Economics and Political Science, n.d.), p. 66; for the accomplishments of capitalism see also: Thomas Hodgskin, *Labour Defended Against the Claims of Capital* (1825), (London, 1922), p. 67.

[8] Bray, *Voyage*, pp. 190–1; William Thomson, *Labour Rewarded: The Claims of Labour and Capital Conciliated* (London, 1827), p. 97; and his *An Inquiry into the Principles of the Distribution of Wealth* (1822) (London, 1850), p. 132; *Doctrine Saint-Simonienne*, *Oeuvres*, XLI, pp. 182–3, 128–9.

[9] Alban Villeneuve-Bargemont, *Économie Politique Chrétienne* (Paris, 1834), I, pp. 23–4.

[10] Robert Owen, *Report to the County of Lanark* (1820), in *A New View of Society and Other Writings* (Dent, London, 1949), pp. 246–8, 270.

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Five years later John Gray expressed the same thought:

> ... no matter what quantity of wealth a people may have the *power* of *creating*.... The quantity they *will create* cannot habitually exceed the quantity which competition allows them to consume, though that quantity may be far from sufficient to supply their own wants.... COMPETITION THEREFORE, IN THE PRESENT STATE OF SOCIETY, IS THE LIMIT OF PRODUCTION.[11]

The entire process of competition, according to Bray, "all these contradictions... arise from that system which places accumulation of capital in the hands of individual classes."[12]

LIKE the classical political economists, the early socialists classify the members of society according to their relation to the most salient and dramatic phenomenon of the society—the process of production. Despite the minor variants of emphasis and terminology they divide society into two major classes: those who own the capital represented by the means of production, and those who possess nothing but labour. For Villeneuve-Bargemont there is "*la portion de la société que possède les richesses et celle qui ne vit que de son travail.*"[13] Other terms employed are, "capitalists and labourers," "rich and poor," "employers and labourers," "bourgeoisie and proletarians," "bourgeoisie and people," "the two great classes which now compose society."[14]

Between these two great classes there exists a state of war. Although the class war has assumed new forms under capitalism, class warfare itself is ancient: the "exploitation of man by man" began in antiquity; the war between masters and slaves, patricians and plebeians, was replaced during the feudal era by the struggle between serfs and lords, proprietors and farmers; now it is the capitalist against the labourer; society has always been and continues to be "divided into two camps."[15]

Capital and labour are locked in struggle for the proceeds of production. If the former receive more, the latter less; and conversely, any gain for labour is a loss to capital.[16]

[11] Gray, *Human Happiness*, p. 66. [12] Bray, *Labour's Wrongs*, pp. 105–6.

[13] Villeneuve-Bargemont, *Économie Politique Chrétienne*, I, pp. 29, 121, 389.

[14] P. J. P. Buchez, *Introduction à la Science de l'Histoire* (Paris, 1833), pp. 12–3; Thomas Hodgskin, *Labour Defended Against the Claims of Capital* (1825) (London, Labour pub. Co., 1922), p. 104; Charles Hall, *The Effects of Civilization on the People in European States* (London, 1805), pp. 4, 37; Thompson, *Inquiry*, p. 187; Bray, *Labour's Wrongs*, pp. 23, 60, 100; *Doctrine Saint-Simonienne*, pp. 38, 220, 224, 107; Auguste Blanqui, *Discours... de la Société des Amis du Peuple* (1832), in *Textes Choisis*, ed. Volguine (Paris, 1955), p. 85; *Défense du Citoyen Blanqui* (1832), *Textes*, pp. 71–3.

[15] *Doctrine Saint-Simonienne*, pp. 38, 220, 224, 6; for class conflict in history and its forms see: Bray, *Labour's Wrongs*, p. 67; the historiography of early socialism, which merits systematic analysis, is not treated here.

[16] Bray, *Labour's Wrongs*, p. 67; Thompson, *Inquiry*, p. 5.

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Since the "natural" wage of the labourers is one of subsistence, they live perpetually on the margin, unable to save or acquire property. In times of prosperity they do not gain, but in times of decline their misery is greatly intensified. The periodic economic crises, which indicate the impending end of the system, inflict severe hardship on them and many perish from want.[17] The thinkers who make the comparison explicitly conclude that the labourer is in far worse conditions than the slave or serf whose status had ensured at least a modicum of protection as an investment.[18]

Labourers have no commodity but labour to sell and the fall of some of those above them "every hour" into their class increases the labour supply without increasing the demand.[19] Thus each labourer is in conflict with every other member of his class to sell his only commodity. In the words of Thompson, "Free competition has never yet practically meant anything else but free competition amongst paupers, ignorant labourers *against each other.*"[20] The constant introduction of machinery necessitated by competition among the capitalists further reduces the demand for labour.[21]

The labourers are reduced by machine production, coupled with the division of labour, so that "their mental faculties are almost obliterated and themselves nearly reduced to machines."[22] Unable to afford more refined amusements and sunk in ignorance, the labourers seek momentary solace in alcohol, tobacco and vice, and are forced to turn to crime to survive.[23] According to Thompson:

> The passions of envy, jealousy, hatred, pride, vanity, etc., and the crimes against person or property, to which they sometimes give rise, are almost always connected with property.[24]

In short, "what are the working classes of every nation but beasts of burden, without hearts and without souls, whose doom is to labour and to die."[25]

One of the most parlous aspects of the system is that those who are doomed to labour and die produce all the wealth.[26] All are proponents

[17] Hodgskin, *Labour Defended*, p. 31; Gray, *Human Happiness*, p. 65; Thompson, *Inquiry*, p. 138; Bray, *Voyage to Utopia*, p. 184; *Labour's Wrongs*, pp. v, 67, 122, 55, 58; Hall, *Effects of Civilization*, p. 64.

[18] Hall, *Effects of Civilization*, p. 52; *L'Organisateur*, (2 April 1831), pp. 312–3; Owen, *Report to New Lanark*, pp. 251, 258; and his *Observations on the Effects of the Manufacturing System*, ibid., pp. 112, 124.

[19] Hall, *Effects of Civilization*, pp. 95, 138; Thompson, *Inquiry*, p. XXIX.

[20] Thompson, *Labour Rewarded*, p. 53.

[21] Bray, *Labour's Wrongs*, p. 161.

[22] Hall, *Effects of Civilization*, p. 137; Villeneuve-Bargemont, *Économie Politique Chrétienne*, I, p. 383.

[23] Hall, *Effects of Civilization*, pp. 1–30; Owen, *New View of Society*, p. 27.

[24] Thompson, *Inquiry*, pp. 301–305.

[25] Bray, *Labour's Wrongs*, p. 15.

[26] Hodgskin, *Popular Political Economy* (London, 1827), pp. 19, 50–52; Gray, *Human Happiness*, p. 34; Hodgskin, *Labour Defended*, pp. 31–32, 76–77; Thompson, *Inquiry*, pp. 6, 8, 221; Bray, *Labour's Wrongs*, pp. 110, 185.

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of the labour theory of value.[27] Because they receive only subsistence in return, it is obvious that most of the proceeds of labour are appropriated by capital; estimates of the rate vary. In 1805 Hall estimated that of eight days of labour the labourer receives the proceeds of only one.[28] Thompson estimates the rate of appropriation at one-third to two-thirds,[29] Gray, four-fifths.[30]

WHILE the labourers are sunk in moral and material misery by deprivation, the capitalists are beset by other evils. They are in a state of war with each other. Each business man, claims Gray, "has a thousand commercial enemies."[31] They are constantly anxious and must exercise perpetual vigilance lest their enemies subvert their enterprises and cause them to fall into the labouring class; this phenomenon occurs daily and while the poor become poorer by their increased numbers, the remaining rich become richer by their decreased numbers.[32] When not engaged in their obsession with "getting money," they devote themselves to idle and sumptuary activities. Bored by excess they resort to gossip, gambling, fashion and similar pursuits. They have "all the happiness that can be *purchased*," including "purchased love."[33] For the rich, money has become "the only medium of influence" and there is "nothing so sacred as not to find its price in money."[34]

Such is the early socialist view of capitalism. The capitalists are at war with each other and, as a class, at war with the labourers; the latter are also at war with each other, and as a class at war with the capitalist class. It is "a system of perpetual warfare between man and man" in which "man is the universal foe of man."[35]

THE state is not a neutral observer of this spectacle of class war. In the representative view of Owen:

> All governments . . . have but two primary objectives . . . the first to keep the governed or the mass of the people in the greatest possible ignorance of human nature and the second to devise safe

[27] Although some of these thinkers are called Ricardian Socialists, they are really proponents of Adam Smith's theory of the labour origin of wealth, and supply and demand, as the determinant of exchange value. Ricardo, in contrast to Malthus, Say and Sismondi, holds labour to be the determinant of exchange value as well as its original creator.

[28] Hall, *Effects of Civilization*, p. 119.

[29] Thompson, *Inquiry*, p. 446.

[30] Gray, *Human Happiness*, pp. 32, 56.

[31] Ibid. pp. 40–1.

[32] Hall, *Effects of Civilization*, pp. 138, 92–6; Thompson, *Inquiry*, p. XXXIX; Gray, *Human Happiness*, pp. 40–1; Buchez, *Science de l'Histoire*, pp. 11–12, 24–5, 45–6, 492.

[33] Gray, *Human Happiness*, pp. 40–42.

[34] Thompson, *Inquiry*, pp. 145–148.

[35] Bray, *Labour's Wrongs*, p. 151; Gray, *Human Happiness*, p. 46; Thompson, *Labour Rewarded*, p. 65.

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> means by which the largest amount of their labour would be obtained from them for the use of the governing party.[36]

This view is shared by each of the thinkers under consideration; the state is the instrument of the ruling class which it utilizes to defend and extend its hegemony. Bray renders this idea in more theoretical form:

> This government, however, desperately wicked and brutally depraved as it was, arose spontaneously from our present social system—our system of classes with opposing interests: the atrocious acts perpetrated by this government resulted from its very constitution—from the habits, opinions, and position in society of the men composing it.[37]

And further:

> By thus going to the origin of the thing, we shall find that every form of government, and every social and governmental wrong, owes its rise to the existing social system—*to the institution of property as it at present exists.*[38]

In addition:

> The real evil which the working classes endure . . . is their incessant toil, and their poverty, and the oppression exercised upon them to obtain their wealth; for the wrong is whole and indivisible, the governmental part arising out of, and being determined by, the social part.[39]

The capitalist class controls the state directly and indirectly, and the state controls the labourers directly and indirectly, employing both force and fraud. The ruling class is the government, the representative system a fiction while the governments are comprised " exclusively of capitalists and landlords, and representing no other interest than their own." [40] Their productions are " class legislation " and have but one end, " to perpetuate the exploitation " by the possessors of property.[41] Hence such vaunted features as the separation of powers are also fictitious:

> But the overwhelming evils to the industrious classes of the judicial system in these countries, is, that *the executive, judicial, and legislative powers* are *vested in the same individuals*, or in their dependents, in glaring and audacious ridicule of the idle declamations of these very individuals respecting the benefits of a strict separation of these powers.[42]

[36] Robert Owen, *Debate Between Robert Owen and Alexander Campbell Concerning the Evidence of Christianity* (Cincinnati, 1829), I., p. 37.
[37] Bray, *Labour's Wrongs*, p. 71.
[38] Ibid. p. 170.
[39] Ibid. p. 99.
[40] Hodgskin, *Labour Defended*, pp. 24, 39.
[41] Owen, *The Book of the New Moral World: Part Seven* (London, 1844), p. 19; Bray, *Voyage to Utopia*, pp. 96, 135, 189–91.
[42] Thompson, *Labour Rewarded*, p. 48; the same objection is raised by Blanqui; see his *Défense*, in *Textes*, p. 77.

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"Separation of powers" is but one form of fraud. The word "constitution" is invoked as a "magical word," an "idol" to which all must pay unthinking homage.[43] The same is true of phrases such as "rights of man and citizen," "equal rights and equal laws," which are uttered by the dominant class to conceal its fundamentally oligarchic nature.[44] Far from modifying this state of affairs, the adoption of republican and democratic forms only renders the class character of the state more obvious.[45] The operation of such a system requires the services of lawyers, called "parasites," "Sharkos" and "law mystifiers," who have a class interest in keeping the law as inscrutable as possible.[46]

The oligarchy maintains its superiority not only by fraud but by force. The laws prohibiting combinations by workers to assert their interests are the most cogent proof of the class character of the state. "No laws for the protection of capital are thought too severe" and when the labourers attempt to resist "they are slaughtered like wild beasts."[47] Moreover, it is the labourers who are impressed to serve in the army where they are forced to fight against their own class for the material interest of another class.[48] The same is true for foreign military ventures, which, despite the patriotic reasons given by the state, are always undertaken in the material interest of the capitalist class.[49]

The enormous cost of the military and the government is met by taxes. The rich assert that they pay more taxes but, in effect, since all they have has been appropriated from labour, they pay nothing. In addition, while taxes deprive the rich of a few luxuries, they deprive the labourers, who have only subsistence, of necessities. Thus the labourers not only serve in, but also finance the means of their own suppression.[50]

Bray estimates the annual cost of government at £50,000,000, all of which is paid by labour. The state apparatus produces no wealth, but the army, navy, royalty, government, courts, lawyers, etc., consume an enormous amount; less than one-fifth of the population is supporting the whole 25,000,000.[51] Well known is Saint-Simon's seditious speculation that should France lose its royal family, chief ministers, clergy,

[43] Bray, *Voyage to Utopia*, p. 91.
[44] *Doctrine Saint-Simonienne*, XLI, p. 186; Bray, *Labour's Wrongs*, p. 98.
[45] Hall, *Effects of Civilization*, pp. 74–5; 188–9.
[46] Fourier, *Théorie des Quatre Mouvements*, p. 391; Bray, *Voyage to Utopia*, pp. 42, 89, 92; Hodgskin, *Popular Political Economy*, p. 158; Thompson, *Labour Rewarded*, pp. 48–9, 109; and his *Inquiry*, p. 227.
[47] Hodgskin, *Labour Defended*, pp. 27, 103; Bray, *Labour's Wrongs*, p. 16; Blanqui, *Défense*, p. 77, *Report*, pp. 85, 91.
[48] Hall, *Effects of Civilization*, pp. 112, 168.
[49] Hall, *Effects*, pp. 169–171; Hodgskin, *Popular Political Economy*, p. 162; Bray, *Voyage to Utopia*, p. 50.
[50] Hall, *Civilization*, pp. 194–201; Hodgskin, *Popular Political Economy*, pp. 34, 87; Thompson, *Inquiry*, p. 308; Bray, *Labour's Wrongs*, p. 74.
[51] Bray, *Labour's Wrongs*, pp. 16, 75–76, 82–83.

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nobility, jurists and politicians, life would go on as usual. But should it lose its scientists and industrialists, the result would be catastrophic.[52]

THUS the system of capitalism is not only unjust and deleterious, but also highly inefficient. Reforms cannot fundamentally alter its character and mere political changes which leave the social and economic system as before are meaningless. Even revolutions of the past have had no result but to transfer "power from one man or class to another.... These changes are never more than a succession of tyrannies; they are generally commenced and carried on for the attainment of exclusive benefits for particular classes; and they often leave the producers of wealth in a worse condition than they were before the change took place."[53] All the French thinkers are of the view that the French Revolution represented the victory of the bourgeoisie, a victory which was completed by the July Revolution.[54] Bray is not only the most cogent critic of previous revolutions, but also of political reforms:

> The various political associations and unions which have at times been formed to benefit the working class, by obtaining for them particular governmental changes, have done nothing whatever towards bettering the condition of the masses.... The great majority of the leading advocates of mere political changes... look at the world simply as it is, comprised of an oppressed working class, and an oppressing governing class... and therefore all their political remedies have no more in view than the partial amelioration of the condition of the working class *as a working class*—a class confessedly doomed... to be servants of the slaves of other classes.[55]

Nothing less than a complete transformation of the system will suffice. All the early socialists devote at least some attention to the possibility of revolution and almost all view it with apprehension. The French regard it as a distinct possibility but fear that it will reduce society to barbarism. This is true for Saint-Simon and his school, Fourier, and Buchez. Blanqui, however, relentlessly plotted and attempted the seizure of the government.[56] Although none of the major English socialists favoured revolution, they recognize its possibility if not inevitability. With few exceptions they advocate the gradual and

52 *L'Organisateur*, *Oeuvres*, XX, pp. 18–24.

53 Bray, *Labour's Wrongs*, pp. 116, 191.

54 Louis Blanc, *The History of Ten Years*, 1830–1840, trans. by W. Kelly, (Philadelphia, 1848), I, pp. 17–18; Blanqui, *Report*, p. 85; Buchez, *Histoire Parlementaire de la Révolution Française* (Paris, 1839–1840), I, p. i; II, p. iii, III, p. v.; Fourier, *Quatre Mouvements*, pp. 188–270.

55 Bray, *Labour's Wrongs*, p. 98.

56 See for example: Fourier, *Théorie des Quatre Mouvements*, pp. 3, 56; Villeneuve-Bargemont, *Economie Politique Chrétienne*, I, pp. 29, 383, 495–6; for Blanqui's views: Samuel Bernstein, *Auguste Blanqui and The Art of Insurrection* (Laurence & Wishart, London, 1974), passim.

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peaceful implementation of their plans for the future demonstrating by example the superiority of their systems.[57]

By one means or another, then, the capitalist order is fated to give way to the new order of the respective systems. The capitalist system is frequently described by the early socialists as an "irrational" system or, what is the same thing, an "unnatural" system. Gray calls it "the present system of irrationality"; Thompson an "artificial society"; a system in which "the designs of Providence are frustrated by man"; "an unnatural state of things" which is "not for rational beings"; "artificial and corrupt" and based on "imaginary notions."[58] All of these characterizations imply a standard which is natural and is thus the only real standard. They imply that this system has corrupted man from what he is in reality: this is not man. Bray comes close to saying exactly this: Man "has been anything and everything but THE MAN which the faculties given by the Creator will render him capable of becoming."[59]

All are agreed that the successive impediments to the emergence of man as he really is are his institutions and conditions which make him other than he is by nature, which make him the foe of his fellow man and thereby of himself. This element of determinism is marked in all the early socialists and is the fundamental assumption of all their endeavours. It is best expressed by Owen and Bray; the fundamental precept of Owen's "science of society" is:

> *The character of man is, without a single exception, always formed for him; that it may be, and is, chiefly created by his predecessors, that they give him, so they may give him, his ideas, and habits which are to govern and direct his conduct.*[60]

Thus the science of man and society is a true science of reality and when applied the results will be forthcoming with "mathematical precision."[61]

Bray is equally convinced:

> Character, whether good or bad, is nothing more than a factitious quality acquired by man—an impression, as it were, made by surrounding circumstances upon that which constitutes human existence—that it is dependent upon the particular organization of every individual, in connection with the particular occurrences by which that organization has been surrounded and influenced. . . . Such, then, being the nature of man, and such the influence of circumstances upon him, his destiny is placed within his own

[57] For example: Thompson, *Inquiry*, pp. 427, 448; Owen, *New Moral World, Part Seven*, passim; Gray, *Human Happiness*, pp. 69–71; Hodgskin, *Labour Defended*, pp. 104–6; Bray, *Voyage to Utopia*, pp. 75, 124, 177, 137–8, 181–3; Bray, *Labour's Wrongs*, pp. V, 12–13, 89, 212–16; Hall, *Effects of Civilization*, pp. 215–16.

[58] Gray, *Human Happiness*, p. 24; Thompson, *Inquiry*, p. 284; Hall, *Civilization*, p. 258; Bray, *Labour's Wrongs*, pp. 7, 39; Owen, *Book of the New Moral World, First Part*, (London, 1842), pp. VI, XVIII.

[59] Bray, *Labour's Wrongs*, p. 15.

[60] Owen, *New View of Society*, p. 45.

[61] Ibid. p. 34.

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> hands; and it is in the power of society, as a whole, by the establishment of particular social institutions, what shall be the general character and habits of its individual members.... How almost omnipotent, then will become the power of man, when he can himself direct the circumstances which he is compelled to obey, when he can, as it were, hold both good and evil in his right hand! [62]

Although they do not express it so clearly and succinctly all the early socialists are of this view. Each lays claim to the science of man and society and thus each lays claim to the knowledge of nature and reality. There are striking similarities and differences in their apprehension. In some cases they share a similar view of man but diverge regarding the institutional means to ensure the implementation and continuance of that vision. In other cases both their ends and means differ. As regards the state, they all share the view that since its coercive political power under capitalism results from private property and class antagonism, that power can be reduced radically by elimination of the social causes which necessitate it. Physical and material want, the causes of crime, vice and conflict will be eliminated, as the unnatural obstacles to production, i.e. profit, fall away, and abundance becomes the standard for all. Conducive to the same end is the elimination of the idle and parasitical segments of society, which produce no wealth but consume most of it. These will be added to the ranks of the producers of wealth, further increasing material prosperity. Among these are lawyers, judges, legislators, idle capitalists, soldiers, police, etc. Few laws, if any, will be required:

> As the laws of nature will be the permanent governing laws of society, human laws will be few and simple, and always in accordance with nature's law. They will also be temporary and local merely to assist to make the change more easy from the absurd and cruel laws of men based on error, and the wise and benevolent laws of human nature based on truth.[63]

The force of public opinion will suffice to rectify occasional lapses into anti-social behaviour.[64] All the thinkers are confident that their systems, which are suited to man as he really is, will function harmoniously and happily. Their conclusions are all based on the assumption of the of wealth, further increasing material prosperity. Among these are

THE elimination of the repressive functions and apparatus of the state is based on the elimination of private property, and the system of class conflict, and the economic chaos of competition which issues from it. However much the systems may differ in detail, all require removal of its coercive action in the political sphere. The great pro-

[62] Bray, *Labour's Wrongs*, pp. 113–16.
[63] Owen, *New Moral World: Part Six*, p. 14.
[64] Thompson, *Inquiry*, p. 305.

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ductive powers generated by competition are to be utilized by the harmonization of production, demand and distribution. This is to be effected by the state ownership of the means of production and control of the economic processes on scales which range from the communal to the national. All are confident that such a system is not only feasible but simple to operate and requiring no coercion. For Saint-Simon, such a system requires only "administration" and politics is reduced to "the science of production." [65] For Owen it will be as simple as the control of large industries under capitalism.[66] For Thompson, his system would "render supply and demand always commensurate, and reduce the economy of supply and demand, population, and other contested questions of morals, legislation, and political economy, to fixed and easily ascertained data, and principles founded thereon." [67]

Perhaps the clearest and most confident statement in this regard is given by Bray:

> By means of general and local boards of trade, and the directors attached to each individual company, the quantity of the various commodities required for consumption—the relative value of each in regard to the other—the number of hands required in various trades and descriptions of labour—and all other matters connected with production and distribution, could in a short time be as easily determined for a nation as for an individual company under the present arrangements. Statistics for every kind would acquire a degree of correctness and perfection such as they can never attain to under the existing system.... Cost of production would in every instance determine value; and equal values would always exchange the wages he individually received, for commodities of the same value as his respective wages.[68]

Nothing could be more simple, and all the early socialists subscribe to this view. But they differ in the matter of relative material rewards which the members of the system will receive. Some, for example Owen, Blanqui and Hall, advocate absolute equality or close to it, while others, Saint-Simon and Fourier for example, favour inequality of rewards based on inequality of function and exertion. Others, like Bray and Thompson, are close to absolute equality but do not advocate it.

WE shall now move on to a selective analysis of some of the objections to the major socialist proposals for profound transformation which were broached by the proponents of rival systems. These are

[65] Saint-Simon, *Catéchisme des Industriels*, II, *Oeuvres*, XXXVIII, p. 148; *Du Système Industriel* I, *Oeuvres*, XXI, p. 188.

[66] Owen, *New Moral World*, *Book Seven*, p. 20.

[67] Thompson, *Inquiry*, pp. 281, 307.

[68] Bray, *Labour's Wrongs*, pp. 160, 162; for the similar sanguine predictions regarding the results of centralized, planned production and distribution of the Saint-Simonians see: *Oeuvres*, XLII, pp. 2–6, 231–2, 252–4.

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scattered through their books and periodical publications and have received little attention despite their intrinsic interest and place in the evolving early radical critique of capitalism. Whether vituperative or analytical, or both, at least the most important of them merit consideration.

The Saint-Simonian school proposed association based on love, the abolition of private property and inheritance in favour of state ownership, retention of the family, and division of society, according to productive functions, into artists, savants, and producers, the whole directed by a self-constituting priesthood. Non-egalitarian, it envisaged remuneration according to merit, expressed in the principle: to each according to his abilities, to each according to his works. It goes without saying that the system was to function in perfect harmony, being the embodiment of the natural order and of natural man.

Charles Fourier was one of the first to express his objections to the systems of Saint-Simon and Owen. As the title of his 1831 *Pièges et Charlatanisme des deux sextes Saint-Simon et Owen* indicates, Fourier was not given to dispassionate analysis. Frustrated by lack of public attention, which was focused on Owen and the Saint-Simonians, he characterized them as:

> *Charlatans ascétiques dignes du dixième siècle, schismatiques suspects et dangeureux, captateurs d'hoiries et de patrimoines, plagiaires dogmatiques n'ayant pas une idée de leur crû, caméleons spéculatifs, changeant dix fois de système, et cossaques scientifiques pillant et travestissant les idées d'autrui.*[69]

In addition, shorn of their altruistic facades, they would appear as the basest representatives of that universal deleterious trait of modern society—egoism.[70]

The tone and content is representative of the piece. Both groups he relegated to the category of "philanthropic utopians," their systems doomed to failure because based on false principles and thus contrary to the law of nature which demands that one "*utiliser l'homme tel que Dieu l'a fait.*"[71]

The fundamental failings are twofold. Both systems aim at a repression of the passions (whose operation is central to Fourier's system) and thus will violate man and nature.[72] Hence, even if they succeed they will fail. The second failing of the Saint-Simonians is the hierarchical structure of their system which will not function as they anticipate. With its popes, cardinals, bishops or curés, their system is a "*schisme tendant à établir le plus obscurantiste des gouvernements, la THEOCRATIE, et à ressusciter le plus odieux des droits feodaux la*

[69] Fourier, *Pièges et Charlatanisme des deux sextes Saint-Simon et Owen* (Paris, 1831), p. 47.
[70] Ibid.
[71] Ibid. pp. V, 16.
[72] Fourier, *La Fausse Industrie, Morcelée, répugnante, mensongère...* (Paris, 1835–1836), pp. 7, 165.

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MAIN-MORTE." [73] Their principle of reward according to merit, of which Fourier approves, will never be realized because the ecclesiastical hierarchy will not function as planned. Instead of directing the distribution in a just and disinterested manner, it will arrogate to itself " the lion's share." Consequently the system of *main-morte* will also operate " *au profit de leurs nouveaux prêtres . . . sous prétexte de distribution philanthropique.*" Far from changing the old system, nothing will change save that new masters will be substituted for the old. The artists and savants will implement the plans of the theocrats and the masses will remain in poverty and ignorance as before.[74] And the productive impulses of ambition and emulation will be destroyed because:

> *. . . quel stimulant un homme âgé trouvera-t-il dans ses travaux, quand il ne pourra rien leguer à ses enfants ou amis, et qu'il n'aura que la fâcheuse perspective, d'envahissement de sa fortune par les prêtres du progrès* en rapacité.[75]

Fourier's critique of Owen's system is discussed below.

In 1832 Jules Lechevalier, a self-styled " ex-Saint-Simonian apostle," joined the Fourierists and elaborated a systematic comparison of the two systems demonstrating the superiority of his new allegiance. The Saint-Simonians have either contended themselves with " vague promises " and " mystical abstractions " or have advocated means which subvert their ends.[76] According supremacy to a sacerdotal hierarchy will result in their despotic rule. Humanity has had enough of this " *moyen âge catholique et féodale; elle ne veut pas de MAITRES même par droit de capacité* " [77]

The system is contradictory. It is impossible to do away with private property and inheritance and still retain the family.[78] True, the family and private property do represent the principle of egoism in society, but familial affection is a natural sentiment. As it and private property are preserved in the system of Fourier, they are no longer the basis of the social order and so their most objectionable features are eliminated.[79]

Saint-Simonianism ignores the diversity in human nature. Their system resembles an Egyptian pyramid with only three faces. Instead of allowing for the great variety based on the operation of the passions, they have reduced all humanity to three categories resulting in an " *étroite systematisation . . . détermination du caractère par la fonction . . . seulement trois divisions qui ont la malheur de placer l'être humain . . . sur un véritable lit de Procuste.*" [80] Thus, all the sentiments

[73] Fourier, *Pièges et Charlatanisme*, pp. iii, 25.
[74] Ibid. pp. 47, 5, 56, 72.
[75] Ibid. p. 25.
[76] Jules Lechevalier, *Études sur la Science Sociale, Année* 1832; *Théorie de Charles Fourier*, (Paris, 1834), pp. 13, 134, 175, 251–2, 57, 159, 271, 131–2, 278, 207.
[77] Ibid. p. 228.
[78] Ibid. p. 107.
[79] Ibid. pp. 107–108.
[80] Ibid. pp. 185, 282.

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are reduced to "*trois abstractions . . . abimé toute l'humanité dans trois caractères; et non contents encore à un degré de condensation si effroyant, ils ont incrusté deux de ces caractères dans un troisième.*" [81] Lechevalier repeats the objection of Fourier that the sacerdotal element will employ its power for its own benefit.[82] For these and other reasons, and despite the desirability of its ultimate objective, the system is "*tout à fait irréalisable.*" [83]

The Saint-Simonians appear to have paid little attention to Fourier. They were no doubt aware of his theories and he himself notes that he sent them a copy of his major work.[84] We have it on the authority of Lechevalier that they did object to Fourier's system for its lack of unity and consistency.[85] A short essay in the Saint-Simonian *Globe* gives no more than a notice of his works.[86]

At about the same time, Villeneuve-Bargemont, not a socialist but rather a radical reformer, gave an estimate of Saint-Simonianism which is in some respects noteworthy. He took exception both to its means and ends. As regards the former, he accused the school of preaching its theories to ignorant proletarians who could understand only one of its tenets: "*C'est que ceux qui ne possèdent rien doivent nécessairement posséder quelque chose.*" [87] Since this element is volatile and potentially dangerous, preaching inflammatory ideas to them can have disastrous consequences. As regards the system itself, since it would do away with all the natural sentiments and allegiances which sustain society, "*la force brutale devient ici une rigoureuse nécessité.*" [88]

Several years later, Louis Blanc came to a similar conclusion to Villeneuve-Bargemont, i.e. that a system such as the Saint-Simonian could only maintain itself by force. His *History of Ten Years*, begun in 1840, contains a valuable extensive history of the school and an exposition of its doctrines. Blanc judged that the theory was internally inconsistent; although it preached universal association based on love, this goal was rendered nugatory by its insistence on relative material rewards. Regarding it as "unjust and subversive," Blanc approved their contention that the most talented should occupy the highest positions but he did not agree that they should receive the most:

> Whether inequality, the mother of tyranny, takes her stand in the world in the name of mental superiority, or in the name of physical conquest, what matters this to us? In the one case, equally as in

[81] Ibid. p. 206.
[82] Ibid. p. 282.
[83] Ibid. p. 12.
[84] Fourier, *Pièges et Charlatanisme*; compare: *Oeuvres de Saint-Simon et Enfantin*, XVII, pp. 66, 75ff.; Levancour, *De Saint-Simon à Fourier*, pp. 348–9; for Fourier's response see: Levancour, *De Saint-Simon*, p. 352.
[85] Lechevalier, *Études*, p. 186.
[86] Ad. Guerolt, "Morale: Système de Charles Fournier," *Le Globe* (No. 87); 27 March 1837.
[87] *Économie Politique Chrétienne*, I, p. 432.
[88] Ibid. pp. 434–7.

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> the other, charity disappears, selfishness triumphs, and the principle of human brotherhood is trampled underfoot.[89]

Blanc rightly remarks that they had in mind as regards distribution of rewards "a personal and pacific despotism, having its source in the perfectly voluntary adhesion of the governed." But he regarded this as an impossibility because the decisions regarding classification and unequal distribution would engender animosity, discord, turbulence and anarchy. The result is the system "must either maintain itself by force or fall to pieces." [90]

In short, in the foregoing opinions, the Saint-Simonian system would not solve the problem of coercion and the state and in fact might intensify it.

For the most part, the Saint-Simonians paid little attention to their critics, but they did effect one modification, which may be attributed to objections raised against the system. Before 1830 there was no indication that their hierarchical system was to be anything but final. But in 1830 this was made a transitional phase, during which the perfection of the system of relative equality would prepare for the introduction of perfect equality. Since their "theocracy" is "the reign of supreme justice in all of human life" it is also democratic and Saint-Simon was thus "le plus divin des démocrates." [91] This is clearly a plan for "higher" democracy.

FOURIER, who did not become prominent until the mid-1830s, proposed a system of phalansteries, joint-stock companies, as the solution to the evils of the capitalist order. These would retain marriage and the family, but permit infidelity; inheritance would also be retained. While the property of the individual phalansteries would be operated in common according to plan, their constituent elements of capital, talent, and labour would receive unequal rewards: four-twelfths for capital, three-twelfths for talent and five-twelfths for labour. The harmony of the whole would be sustained not only by planned production and distribution, but also by the free and natural operation of the system of "passionate attraction." [92]

The initial Owenite view of Fourierism was somewhat vague and confusing, but this initial confusion began to be dispelled when the *New Moral World* began to publish its own translation of Fourierist Considerant's *Destinée Sociale* which contains his critique of communism and Owen in particular.[93] The serialization was prefaced with the qualification that the work "forcibly exhibits . . . the complete

[89] Blanc, *History of Ten Years* (Philadelphia, 1848), I, pp. 544–5.
[90] Ibid. p. 547.
[91] *L'Organisateur*, 1 July 1830. The Owenite remarks on Saint-Simonianism, which are not important, may be found in *New Moral World* (12 May 1838) and, written by Owenite Friedrich Engels, in *New Moral World* (4 November 1843).
[92] For details see Bourgin, *Fourier*.
[93] *New Moral World*, 28 Nov. 1835; 27 Oct. 1838.

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misapprehension which Mr Considerant has" of Owen's system.[94] Before the editors could compose a response they received a letter from a Mr Barmby of Bradford which takes the line of argument against Fourierism which the editors would have taken. The argument is that the Fourierists have asserted that each has a right to what he has produced and thus the results are unequal. This is a misapprehension of the problem since it considers production in the abstract, i.e. divorced from society.[95] The Owenites grant that what one creates must be his own possession, at the same time since "no one hath ever created anything, no one hath any right to possess, as private property, any one thing."

The Owenite author then demonstrates that the individual himself is a fiction, applying the Owenite principle that "since society forms man's character; society causes man's actions; society, not the man, ought to inherit the consequences resulting from his character." All improvements effected by individuals are "the very act of the general community of whom the individual is but the agent." For example, Sir Humphrey Davy is credited with the invention of the safety lamp but really "society created it through him as a medium." Had Sir Humphrey been born on the island of Juan Fernandez, would he have invented the lamp? [96]

Fourierism is both unjust and inexpedient. Far from producing harmony by perpetuating the "existence of *caste*," it would engender "endless strife between labour and capital" and "the plan would totally fail." Instead of basing his system on human nature, Fourier's system has an "artificial character" because "the plan of architecture he consults is that of the present immoral society." [97]

Another contributor makes the same point, but displays the Owenite penchant for the Biblical idiom: the system of Fourier

> ... is a compromise with the old immoral spirit of competition, as though the Archangel Gabriel were to parley with his Satanic Majesty, to produce a coalition ministry... We must have no dealing with Mammon. We must destroy the monster of competition, and put away the accursed thing from among us.[98]

The editors continued to print letters critical of their own system which attributed the failure of their experiments to the falsity of their principles.[99]

[94] Ibid. 26 Jan. 1839.
[95] Ibid. 14 Sept. 1839.
[96] Ibid. 12 Oct. 1839.
[97] Ibid. 5 Dec. 1840.
[98] Ibid. 23 Nov. 1839.
[99] See for example: 6 March 1841; the debate has aspects which are both comical and instructive; Owenite Barmby charged that Fourier's system was incompatible with the latest scientific discoveries; Ludwig Gall, for example, the founder of phrenology, had demonstrated that there are forty "qualities" both moral and intellectual; Fourier has only twelve passions "which, he says, form human nature; but what becomes of the remaining 8 and 20 which have been demonstrated to exist?" The Fourierist

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THE Icarian communists of Cabet objected to the Fourierist system for the same reasons as the Owenites: to preserve property and inequality is to admit into the system the danger that it will degenerate into greed and ambition "*qui engendrent nécessairement tous les désordres de la société actuelle!*" [100] Moreover, their plan to pay talent according to merit is impractical. What of men of genius like Copernicus? There are many degrees of merit and genius and these would have to be paid 50 or even 100 million francs. With nothing to do with this vast wealth they might become "*maîtres de les employer à satisfaire leur oisivité, leur orgueil, leur ambition, leur gourmandise, leur dépravation.*" [101] The Icarians, however, were confident that Fourierism was but a preparatory and transitional phase in the march of history toward the adoption of communism:

> *Nous voudrions voir la terre couverte de Phalanstiers parce que nous avons la conviction qu'ils se transformeraient bientôt en Communautés.*[102]

Democratic Pierre Leroux had the same objection, namely, that the Fourierist inequality is "*à peu près tel que celui qui existe aujourd'hui.*" [103] Leroux rejected the attempt of some Fourierists to allegorize the master's system thus producing a "doctrine secrète," more palatable; the theories are quite clear and their foundation is nothing but the old egoism.[104] Consequently, the whole system is absurd and the negation of all "*principes nécessaires à notre nature.*" [105]

The editors of *L'Atelier*, all working men and adherents of the craft-socialist theories of Buchez, voice the same objections to Fourierism but add another dimension. In their view the Fourierist system will not improve the condition of the workers but rather will result in a new system of exploitation worse than capitalism; they will be exploited not only by capital but also by talent. The Phalansteries will be composed, like the capitalist system of production, of active and passive elements. Enterprises on such a grand scale will require a huge capital expenditure for their establishment and this can only be supplied by the capitalists of the prevailing system; these will invest in it for egoistical motives because they expect a great return. They are one part of the passive element.

The other part is talent, "*les organisateurs,*" whom the labourers rightly distrust because they are tired of "*exploitation de toutes sortes, de l'exploitation du capital, et même, il faut dire, celle du*

responded that Barmby was engaged in "mere random air-beating" since there are "many zealous and able Phalansterians who are phrenologists"; but he did not account for the missing 28 "qualities"; see *New Moral World*, 13 Feb. 1841; 6 Mar. 1841 and 15 May 1841.

100 *Le Populaire*, 10 June 1843.

101 Ibid.

102 Ibid. 6 Aug. 1845.

103 *Revue Sociale*, July 1846.

104 Ibid. for further criticisms by Leroux: Apr. 1846; Aug. 1846; Nov. 1846

105 Ibid. June 1846.

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talent." [106] Talent should be employed as required, but it must also demonstrate its good will by manual labour, or receive nothing. Construing production in the narrow sense of material production, they conclude that "*celui qui ne produit rien, il a droit à rien*." According to the Fourierist plan, heavy manual labour will remain the lot of the workers who will fall under the hegemony of a new "*aristocratie industrielle*" which will keep them in a disadvantaged condition.[107]

Proudhon's critique of Fourierism, which is scattered through several of his works written in the early 1840s, has its serious and its vituperative sides. "Charlatanism," he says of Fourier, "was too important a part for such a man to play, a man whose principal merit consisted in talking nonsense in the strongest language ever put on paper." [108]

Their science is but "a chimera." Real science is infinite but Fourier's system is fixed and mechanistic and does not allow for developments. An example is its plan to reward talent in greater proportion than labour. Adam Smith proved that it is social inequality which produces inequality of talent and thus intellectual inequality is both accidental and transitory; but the Fourierists have made it an integral and permanent part of their system, thereby precluding progress.[109]

The place of property in the system is its most salient failing. While it may be true, as they promise, that production will quadruple in their system, all the increase will be arrogated by those who possess property, as in capitalism. Thus private property and the transmission of hereditary privileges will sustain and intensify the present class division and the prosperous will control all in their own interest; the result: continued exploitation of productive labour by the idle. Even if the poor do receive absolutely more, they will remain poor because poverty is a relative phenomenon. If some have more than others, and in this system some will have much more, the poor will remain unhappy because of their relative inequality.[110]

Thus the two major systems which proposed inequality as the solution to the problems of capitalism were viewed by rival socialists as perpetuations of the evils they purported to rectify. Their practicability and scientific standing soon became moot as both systems passed into oblivion.

WE now turn to the other major alternative proposed as the remedy for the evils of capitalism. Robert Owen (as well as other communists such as Buonarotti, Blanqui and Cabet) argued that

[106] *L'Atelier*, Mar. 1841. [107] Ibid. Feb. 1841; Mar. 1841; Apr. 1841.
[108] "*What is property?*" (1840) Translated from the French by Benj. R. Tucker (Humboldt, New York, n.d.), pp. 197, 224n.
[109] J. Proudhon, *Avertissement aux Propriétaires* (1842) *Oeuvres* (Rivière, Paris, 1938), pp. 213, 215, 220; *Property*, pp. 198–200.
[110] Proudhon, *Property*, pp. 197–9, 266, 411.

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since all the evils of capitalism were the results of private property and inequality, all could be eliminated by the institution of communism, i.e. community of property which of course means absolute equality. He urged the establishment of a universal network of communities which would embody this principle. His conclusions are based upon the assumption of the natural altruism of man and the harmony of the natural order which he claimed to have discovered. In 1825 he attempted the first full scale implementation of his ideas at New Harmony. Within a few years it had failed and its failure seems to have been widely known.[111] It is not surprising that the experiment excited great interest in socialist circles. This section on the critique of communism concludes with the Owenite explanation of the failure of New Harmony.

Fourier attributed the same failings of the Saint-Simonians to Owen's system, and for the same reason: the abolition of private property. His remarks are again highly vituperative but do make substantive objections although these are not developed. Owen's plan for the community of goods he judged "*si pitoyable qu'il ne mérite pas de réfutation.*" Owen derived his plan from Pythagoras and Sparta and his ideas on free love and the abolition of marriage from the newly discovered islands. As for the system itself, the community of property will destroy all emulation and ambition as Owen and his sectarians reduce all to "*travail monotone et uniforme, des austérités monastiques*" like the Jesuits in Paraguay. Conclusive proof of the falsity of the system is the failure of New Harmony.[112]

From the Saint-Simonian response, it would seem that in some quarters their system had been confused with communism or "*la communauté des biens*" as it was called at that time. Memories of the revolution and Babeuf's conspiracy which had advocated egalitarian communism were still vivid and it is natural that a new school of radical transformation would tend to be connected with the most recent venture. The comprehensive and complicated system of the Saint-Simonians was no doubt beyond the popular imagination. During the first year of the *Exposition* in which the new system was systematically expounded, this false view was noted and rectified. The expositor provided a brief refutation of the desirability and practicability of communism. The two systems, he explained, were quite unrelated. The classification and reward of each according to his capacity and contribution necessarily requires inequality of distribu-

[111] For details see, J. F. Harrison, *Quest for the New Moral World: Robert Owen and the Owenites in Europe and America* (Scribners, New York, 1969); George Lockwood, *The New Harmony Movement* (Appleton, New York, 1905); Arthur Bestor, *Backwoods Utopias: The Sectarian ond Owenite Phases of Communitarian Socialism in America*: 1663–1829 (University of Pennsylvania, Philadelphia, 1950).

[112] For his substantive criticism see: *Nouveau Monde Industriel*, *Oeuvres*, VI, pp. 472–3; *Pièges et Charlatanisme*, p. vi; *Théorie de l'Unité Universelle* II, *Oeuvres*, III, p. 4; for captious objections and insults: *Nouveau Monde Industriel*, p. 475–6; *Théorie de l'Unité Universelle* II, pp. 4, 43.

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tion.[113] In a communist system, equal distribution among all is to obtain. Not only does this abolish the "principle of emulation," but with the idlers and industrious equally rewarded, the whole burden of maintaining the system falls on the latter. Thus the system subverts the very equality it posits as a goal. Moreover, such a system would be impossible to maintain in equilibrium since the tendencies towards unequal distribution would constantly manifest themselves necessitating perpetual redistributions.[114] These objections are fundamental and irrefutable; the system would prove to be as violent as the prevailing system of "blind distribution." People are unequal by nature and to reward them equally is to perpetuate a great injustice.[115] This natural inequality is fundamental and must be the basic tenet of all association.

THESE estimates of communism are not directed against any current proponent of the doctrine. In a brief review of the revolution, three people are identified as proponents of the "*partage égal*" of property, Saint-Juste, Babeuf and Anacharsis Cloots.[116] However vague their ideas may have been, all had argued for equality, thus attempting to violate the law of nature and undermine "the real condition of social progress." Further, they expected to accomplish this by violent means, ignoring the necessary principle of peaceful association. The whole Convention was in fact doomed from the start because of its "retrograde character."

> *Le vice radical de tous les travaux . . . a été le préoccupation des idées républicaines, encore mal déformés, et l'amour des institutions des Grecs et des Romains sur lesquelles les publicistes avaient enseigné tant d'erreurs . . . Ces prétendues républiques de Rome, de Sparte et d'Athènes n'etaient que des aristocraties militaires, toutes fondées sur l'esclavage.*[117]

Thus the ideas deduced from these mythic models of antiquity were false.

In contrast, the Saint-Simonians maintain as their paradigm the medieval church and its superiority to the systems of antiquity. The harmony of the medieval system had been undermined by Protestantism which had undertaken an application of the principle of equality "*dans le sens rigoureux*" which would have destroyed the real goal of religion which requires the hierarchical political supervision of society.[118]

In Owen's experimental communities he established the principle

[113] *Exposition de la Doctrine Saint-Simonienne: Première Année, 1828–29, Oeuvres,* XLI, p. 238.
[114] *Exposition,* XLI, p. 238.
[115] *Exposition, Deuxième Année,* XLII, p. 164. See *L'Organisateur,* 20 Dec. 1829, p. 3.
[116] *L'Organisateur,* 5 Mar. 1831.
[117] Ibid. 5 Mar. 1831; also 1 July 1830.
[118] *L'Organisateur,* 2 Apr. 1831; 28 May 1831.

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of equal rights for all, irrespective of sex and condition, and proportionality of duties based on physical and mental ability. This policy accords with the first part of the Saint-Simonian principle—to each according to his capacity; but it ignores the second part: to each according to his works. This is why the communities have failed.[119]

Although Villeneuve-Bargemont expressed his high regard for Owen's noble character, he regarded his plans for "*la communauté absolue*" in property and marriage as not only false and "utopian" but dangerous. Its determinism undermines human responsibility and in substituting fatalism and sensuality for Christianity, Owen's plans are a threat to the entire social order. Proof of the falsity was provided by the failure of New Harmony, which revealed "*les vices et les impossibilités d'un système de communauté libre et absolu sans mobile religieux.*" [120]

The equality of rewards for innate and acquired inequality results in "*une injustice permanente et une cause incessante de désorganisation.*" Assured of their basic necessities:

> *. . . les ouvriers se reposeront volontiers les uns sur les autres du soin d'accomplir le travail. Le mouvement de la production s'arrêta, et un déficit considerable dans les produits trompa les espérances primitivement conçues.*[121]

Pure communism excludes the necessary creative intellects and entrepreneurial spirits and thus attracts only, as New Harmony, mainly "*grossiers, vicieux, placés au dernier degré de l'échelle sociale.*" This is why New Harmony ended in "*l'égoisme et la désunion.*" [122]

BY 1835 Fourierism was attracting a substantial following. Fourier died in 1837 and Victor Considerant became the leading exponent of his system. In his *Destinée Sociale* of 1835 he notes that "une partie de la presse républicaine" (i.e. Blanqui and the French communists), were advocating the old Saint-Simonian idea of the abolition of property and inheritance, absurd because it denies "*les intérêts les plus capitaux et les éléments les plus importants*, la propriété." [123]

[119] *L'Organisateur*, 26 Mar. 1831; Jeremy Bentham's refutation of egalitarian communism is similar in most respects to that of the Saint-Simonians; see his *Principles of the Civil Code* in *The Works of Jeremy Bentham*, edited by John Bowring (Tait, Edinburgh, 1843), I, pp. 341–2; and compare also Thompson, *Inquiry*, pp. 73–6, 271–84, 324–5.

[120] *Histoire de l'Économie Politique* (Bruxelles, 1839), pp. 614–5, 645–6, 650; this observation of Villeneuve-Bargemont is a telling one; Owen had argued for the practicality of communism by adducing the example of the successful Shaker communities, oblivious to the fact that their cohesion was sustained by their religious fanaticism; see his, "A Brief Sketch of the Religious Society of People Called Shakers," (1817) in *The Life of Robert Owen Written by Himself* (London, 1858–1859), I, p. 147.

[121] Villeneuve-Bargemont, *Histoire*, p. 646.

[122] Ibid. pp. 646–7.

[123] Victor Considerant, *Destinée Sociale* (Paris, 1835) II, p. X; years later Considerant evaluated almost all the major radical systems at length; see his *Le Socialisme devant le Vieux Monde* (Paris, 1849), pp. 59–130.

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Apparently some confusion existed in the public mind regarding the differences of Fourierism, association, and communism. Imputing the tenets of communism to Fourierism, some had accused it of "*confusion, de pêle-mêle, de destruction de l'individualité, et de l'ignorance de la nature humaine.*" While this was not the goal of Fourierism, these charges against communism are justified. Considerant defines *communauté* as:

> *. . . des individus sont réunis sous un régime rigoureusement égal pour tous, distribuant à tous les mêmes tâches, les mêmes peines, la même rétribution, la même nourriture . . . l'essence de la Communauté, c'est l'égalité.*[124]

Such a system is both impossible and unjust, although some have existed, as for example the Moravians. These thrived only because they "*se sont maintenues par la compression énergique d'un principe religieux.*" Without this, such a system can only exist by force and thus it requires either "*le despotisme d'une loi, ou d'une idée religieuse.*" In either case the plan is not only "*monstrueux et odieux*" but "*la plus complète négation de la nature humaine*" and is consequently "*tout à fait irréalisable.*" [125] It would subject humanity to a stupid and monstrous yoke and violate all the rights of the individual by rewarding all equally irrespective of contribution.

The working men of *L'Atelier* express several of the objections to communism voiced by others. They predict that the state would become like a *caserne* or monastery and that the principle of equality would destroy all incentive to labour. Proof of its impossibility is the fact that even the early Christian communities could not make it work.[126]

The proponents of *communauté* respond to all objections that education will render their plans possible; but in planning social institutions it is necessary to take man as he is, with all his defects:

> *. . . c'est un calcul que ne veulent pas faire ces socialistes, parce que leur faudrait immédiatement renoncer à leur idéal, ou plutôt à leur rêve.*[127]

The state will own all the property and direct all production and will thus acquire enormous responsibility and power. There are grave dangers in this plan "*à exagérer la puissance de l'Etat*" and one of them is that the state will "*monopoliser ainsi l'expression de la pensée.*" Under competition, manuscripts rejected by one publisher can be submitted to another. But a state monopoly offers only two options; either all is published or some selection is necessary. In the first case, anyone who decides to scribble on paper at the expense of the community will be permitted to do so and all the results will

[124] Considerant, *Destinée Sociale*, I, pp. 335–6, 367.
[125] Ibid. pp. 358–9.
[126] *L'Atelier*, July 1841; Nov. 1845.
[127] Ibid. July 1847.

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have to be printed, with equal care, on equal quality paper, in an equal number of copies: "*Nul communiste, après reflection, n'accepterait en théorie cette liberté désordonnée.*" Thus some selection is necessary by the state. But the state is an institution composed of people and all people have their failings. Suppose a purveyor of views hostile to the system demands to be a writer; clearly, this cannot occur. Should he decide to publish anyway and is refused permission: "*une fois jugé, il l'est sans appel.*" [128]

PROUDHON's remarks on communism are as vitriolic as Fourier's and they fall far short of the sophistication of *L'Atelier*. He believed its "disadvantages... so obvious that its critics never have needed to employ much eloquence to thoroughly disgust man with it." [129] It restricts spontaneity of mind, heart and action. The "pious and stupid uniformity which it enforces" subverts the personality and becomes thus "tyrannical and unjust." [130] Excellence is placed on a level with mediocrity, the industrious labour for the benefit of the indolent and the clever for the ignorant and "man... humbly annihilates himself at the feet of the majestic and inflexible Commune!" [131]

Convincing proof of its defects are its failures in the past. Plato's system required slavery as did that of Lycurgus. The communist communities of Christianity did not last beyond the first century. The Jesuits in Paraguay "were obliged to surround themselves with ditches and walls to prevent their new converts from escaping." [132] The communist analogy of family and society is false because that kind of relation cannot be applied to society at large.[133]

To these objections Proudhon added a purely subjective one, based on the application of Hegel's dialectic to the problem of property. The first phase of society was that of "negative communism." With the advent of labour, industry and mental progress, this engendered its repudiation as "the first species of slavery." This he expresses by means of

> ... an Hegelian formula—Communism—the first term of social development—the *thesis*; property, the reverse of communism, is the second term—the *antithesis*. When we discovered the third term, the *synthesis*, we shall have the required solution.[134]

As noted, the New Harmony experiment aroused great interest in radical circles. And as shown, the critics of communism adduced its failure as cogent proof of the falsity of the theory. The proponents

[128] Ibid. July 1847.
[129] Proudhon, *Property*, p. 259.
[130] Ibid. pp. 259–60, 280.
[131] Ibid. pp. 260–1.
[132] Ibid. p. 260.
[133] Proudhon, *Création de l'Ordre dans l'Humanité* (Rivière, Paris, 1929), p. 181.
[134] *Property*, pp. 258–9; it is noteworthy that this passage is quoted in full in: Lorenz von Stein, *Sozialismus und Communismus des heutigen Frankreich* (Leipzig, 1842), p. 327; Bray, no doubt unaware of these esoteric speculations, had hit upon a

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of the theory, however, remained unconvinced. The Owenite *New Moral World* of 12 October 1839, contains an article which is one of the most significant pieces in the history of socialist thought. In it the authors offer their explanation for the failure of New Harmony and, in light of it, their continued adherence to the system.

The failure of New Harmony, they wrote, is an objection "frequently urged" against the truth of their theories. In contrast to their critics who had held that it was "a signal and complete failure . . . a Babel of anarchy and confusion and terminated in the disappointment of all parties concerned in the Quixotic enterprise," they contend that it was but "an assumed failure." All inventions require a period of trial and experimentation before they succeed. Much improvement was required for the self-acting mule machine to operate perfectly and the situation of the new social system is similar to this:

> The principles upon which it rests are incontrovertible in the abstract; and their failure upon the first application to practice, so far from proving their impracticability, only prove that the persons attempting to do so, have not yet attained the experience of working principles out in detail; nor can they do so without the aid of repeated experience and practical knowledge thence acquired.[135]

Owen had purchased New Harmony from George Rapp whose success with his community there

> had fully demonstrated the value and beneficial effects of the principle of cooperation. Rapp had a population under his control, united by a common bond of interest and strong sympathy; and it is easy to perceive that this unity of sentiment and similarity of character, together with the patriarchal or despotic power of Rapp, were most favourable elements for the combination afterwards produced.[136]

Owen had purchased the community on the understanding that the Rappite residents would remain and Owen would gradually introduce new members who would acquire from them their knowledge and practical experience. Had this plan been followed, "a flourishing and complete establishment would have been formed at New Harmony." But in violation of the understanding, the Rappites departed and Owen was forced to accept whomsoever came along. Consequently, "an ill-assorted and motley crew assembled . . . with the most crude, exaggerated and confused ideas. They were the worst class of persons that could have been congregated for the purpose—amateur artists, musicians, poets, professional men, people with carriages and servants to attend them." Owen was called away and "the incongruous mass, held together by no common sentiment," soon fell apart.

"synthesis," i.e. "*individual property in production* . . . with a *common property in productive powers*; see his *Labour's Wrongs*, p. 194.

[135] *The New Moral World*, 12 Oct. 1839.

[136] Ibid.

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But for the reasons adduced, this cannot be counted a failure and an argument against the principles but rather "a fund of useful instruction for guidance in our future establishments." [137]

John Bray's defence of communism in the light of New Harmony is as interesting and important as the Owenite defence; and it is more sophisticated. It appears in his *Labour's Wrongs and Labour's Remedy* of 1839 and is written to defend the system of equality and communism against the attacks of the political economists who had held up New Harmony as conclusive proof of the futility of the system.[138]

Bray, without mentioning either Owen or New Harmony by name, admits that the community failed and gives several reasons for this. It was funded by capitalists who did not supply sufficient funds and then withdrew their support prematurely: "in this partial attempt, made without due consideration of the obstacles to be surmounted, the wealth invested was of very limited amount, and totally inadequate to meet the exigencies of the case; and this cause alone was sufficient to ensure failure." [139]

In addition, it was only a partial and isolated experiment and this also undermined its prospects:

> The whole of these objections of the economists—as they appear when levelled against an isolated community . . . and surrounded, as such community would be, by hostile interests of every description—are powerless when applied to the system of community of possessions as a *system* . . . the various difficulties, therefore, which stand in the way of the success of an isolated community, can have no existence in a *system of communities*.[140]

Bray pointed out that all the objections of the political economists were nugatory for the similar reason that "all such objections go no further than to point out the difficulties attendant on the first establishment of the system of community" and all are based on "a consideration of man *as he is at present*." [141] The system of community is not designed with *that* man in mind, but rather for man as he really is when all the institutions which have subverted that reality have been removed and appropriate ones established. Such a project cannot be accomplished immediately:

> Community of possessions is in every respect the most perfect form of society which man can institute, and it therefore requires a corresponding degree of excellence in the character and qualities of all who enjoy its influence . . . we might as well expect to behold a fly to spring up at once from a maggot, as to expect that man can go by one so dissimilar in all its parts as is the system of com-

[137] Ibid.

[138] For some of the most extensive criticisms of proposals for profound transformation see: T. R. Malthus, *An Essay on the Principle of Population*, 6th ed. (1826) (London, 1890), pp. 317; 308 and passim.

[139] Bray, *Labour's Wrongs*, p. 129.

[140] Ibid. p. 132.

[141] Ibid. p. 129.

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> munity.... It is time and circumstances which bring about the change: by successive steps does the transformation progress, and the last remove completes the work.[142]

Thus Bray is in agreement with the Owenites that the wrong sort of people entered the experiment and this was another reason for its failures. They were people who "were taken almost promiscuously from the world at large," and they "carried with them their old feelings, prejudices and habits."[143] By his explanation for the failure Bray pointed the way to success and articulated a defence which has shown itself capable of virtually limitless application. But he was far too subtle a thinker to be oblivious to the fallacy of such reasoning: the transition of imperfect man to the perfect system is impossible if the latter requires perfection to begin with. To resolve this Bray proposed an intermediate system during which phase the requisite changes could be effected.

There is also some evidence of more conciliatory attitudes toward rival systems, but these for the most part appear to be based on either misapprehensions or misrepresentations. Despite Proudhon's unambiguous denunciation of communism in his *What Is Property?*, Owenite Friedrich Engels regarded the book as "the most philosophical work on the part of the Communists, in the French language."[144] Etienne Cabet, a proponent of absolute equality, asserted that the Saint-Simonians had also advocated "*communauté*," despite the fact that it must have been well known that this was not true, that their principle of "to each according to his works" was incompatible with his principle of "to each according to his needs."[145] On the other hand, Charles Pecqueur rendered a very accurate account of Saint-Simonianism and Fourierism and explicitly incorporated elements from both into his own system.[146]

IN conclusion, the early nineteenth-century socialists and communists exhibit striking accord in their critiques of capitalism. Like the classical political economists, they make a sharp distinction between the state and the society or social system, classifying the major elements of the latter on the basis of place in the production process and especially relation to the means of production. There are two classes in society; the decreasing number of increasingly wealthy capitalists own the means of production and thereby arrogate to themselves most of the wealth produced by those whose only commodity is labour. The latter produce all, according to the labour theory of

142 Ibid. p. 133.
143 Ibid. p. 130.
144 *New Moral World*, 4 Nov. 1843.
145 Etienne Cabet, *Voyage en Icarie* (Au Bureau du Populaire, Paris, 1840), (1848), pp. 557, 520–521, title page of the 1845 edition.
146 Ch. Pecqueur, *Théorie Nouvelle d'Économie Sociale et Politique* (Paris, 1842), pp. iv, v, xix, 14, 120, 224.

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value, but live in increasing misery. The early socialists regard this as an irrational, unnatural state of affairs, and one which requires the continued intervention of force, embodied in the state, to sustain it. The state is regarded by all as an instrument of class oppression, engendered and maintained in the economic interest of capital to ensure its hegemony over those who produce all, and thus also support the instrument of their own surpression. All regard this as its major if not its only function, that which determines its character. To accomplish its purpose it employs both force and fraud cloaking itself in an aura of disinterestedness. All these thinkers regard revolution as probable if not inevitable and, with few exceptions, view it with marked apprehension, preferring instead peaceful means of profound transformation.

All lay claim to an exact knowledge of man as he really is, i.e. by nature, and to the science of the conditions appropriate to that nature. All are socio-economic determinists, holding that man's behaviour is determined by these conditions and thus the science of man is simultaneously the science of the conditions and institutions appropriate to his nature. All share the view that the natural order is one of harmony, requiring little or no coercion. Drawing their conclusions from the most salient and egregious facts of capitalism, they assume that those facts and only those facts, engender the conditions which render coercion necessary. This, coupled with their respective assumptions regarding the nature of man and his conditions, permits the deduction that the elimination of the social and economic source of coercion will invariably eliminate coercion and its institutional expression, the state.

The foundation on which capitalism rests is capital or private property which is thus responsible for every irrationality of the system. All advocate the radical modification of property in favour of public or state ownership and operation of the means of production, a process rendered so simple by the advances of capitalism that it can become a matter of simple calculation. By means of rational organization, the turbulence and misery of competition may be eliminated with ease.

In short, the domination of the state as a political instrument of social repression necessitates its vastly increased role as an economic institution, exercising little or no coercion since this very fact subverts all those conditions which had rendered coercion necessary.

In the matter of this science, however, the early socialists exhibit considerable diversity of detail, though sharing the same basic assumptions. All their systems may be classified as either egalitarian or non-egalitarian. The thinkers took an avid interest not only in capitalism but also in rival plans for the reorganization of society. Their critiques of rival systems are of intrinsic interest, and in some case revealing in that they render more explicit the assumption of the systems. And they display their diversity in fuller measure.

The critiques are basically of two sorts: objecting either that the

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means proposed by a rival system are inadequate to its ends, or that the ends themselves are undesirable in that they violate human nature. In assessing their value it must be recalled that these are critiques of hypothetical systems. In the light of subsequent efforts at social transformation, it might be argued that some of them displayed a considerable degree of perspicacity in their apprehension of the tendencies of some experimental forms, especially those concerning the interrelatedness of economic organization and political coercion.

There is no clear evidence that any of the objections resulted in significant modifications, though they may in one case have precipitated a more appealing formulation.

Impervious to criticism, they were, at least in the case of the Owenites, equally impervious to experience. They responded to those who pointed to New Harmony as proof of the falsity of their theories with a series of remarkable explanations, some of which have made their appearance subsequently, which, if anything, rendered the theory more viable by rendering it safe from the vicissitudes of any subsequent experience. Those who were most convinced seem to have remained convinced, and new groups advocating the egalitarian community of property emerged and thrived. Friedrich Engels for one, appeared convinced by the Owenite (and Bray's) defence; he wrote in the Owenite *New Moral World* in 1843:

> The three great civilized countries of Europe—England, France and Germany—have all come to the conclusion, that a thorough revolution of social arrangements, based on community of property, has now become an urgent and unavoidable necessity . . . it is a necessary conclusion, which cannot be avoided to be drawn from the premises in the general facts of modern civilization.[147]

[147] *The New Moral World*, 4 Nov., 1843; neither did the failures and criticisms decrease the enthusiasm of some of the German émigrés in England in the mid-1830s for *Gütergemeinschaft*; for details see: August Jäger, *Die Deutsche in London: Ein Beitrag zur Geschichte der Politischen Flüchtlinge unserer Zeit* (Leipzig, 1839), I, pp. 60, 109–10, 191–3; II, pp. 44–5.

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Soviet State and Society

Alexander Zinoviev: Totalitarianism from Below

Philip Hanson

WHEN I first read Alexander Zinoviev's satire *Yawning Heights*,[1] I tried to extract from it his analysis of Soviet society. I reassembled this in the pedestrian form of a series of propositions. That exercise, simultaneously foolhardy and mundane, forms the "Ibansk" section of this article. When I wrote it, the foolhardiness seemed to me more apparent than real because I had a strong impression that Zinoviev meant what his characters said. The ironies and paradoxes are explicit and are contained within the Ibanskians' speeches. They are not implicit and intended (so far as I can judge) to operate between what the characters say and the work as a whole.[2]

After I had written what is now the "Ibansk" section of this article, my attention was drawn to a new work of Zinoviev's, *Kommunizm kak real'nost'* (*Communism as Reality*), published in 1981.[3] This book is described by its author as a direct exposition of the main points in his conception of communism. He goes on to say that the paradoxes enunciated in his satires are not a literary method but an attempt to be as accurate as possible. And in the course of the exposition that follows in *Kommunizm kak real'nost'* he often says: "I have discussed this point more fully in *Yawning Heights*" (or *The Radiant Future* or *The Yellow House*, etc.). Characteristically, he mentions only one difference between the satires and the straight exposition: namely, that they are addressed to different readerships.

[1] Written in the USSR in 1974, published in Russian in Lausanne in 1976 (*Ziyayushchie vysoty* (Editions l'Age d'Homme) and in English in 1979 (Bodley Head, London).

[2] Compare the controversy over the notorious Hitler speech in George Steiner's *The Portage to San Cristobal of A.H.*: Martin Gilbert in *The Times*, 6 Mar. 1982; George Steiner in *The Times*, 11 Mar. 1982; Hyam Maccoby, "George Steiner's 'Hitler'," *Encounter*, May 1982.

[3] Editions l'Age d'Homme, Lausanne. It has been translated into French (*Communisme comme realité*, Julliard, Paris, 1981) and German (*Kommunismus als Realität*, Diogenes Verlag, Zurich, 1981). It is a pity that the author's own cover designs have not always been used in the non-Russian editions. I learnt from *Communism as Reality* that Zinoviev's "social task" while in the USSR had always been the drawing of cartoons for wall newspapers, and this extraordinarily gifted man can produce visual images of great power. The shadowy monster of the deep in his cover illustration for *Ziyayushchie vysoty*, apart from adding yet another joke to the book, is far more memorable than the jolly, knockabout cover design by Peter Till for the Penguin edition. The cover design for *Kommunizm kak real'nost'* is different in style but equally vivid and strong. It shows two rats grasping one another simultaneously by the hand and throat. (The right-hand rat has two right hands, and I hope one day it will be revealed whether this is a piece of symbolism or an error.)

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The satires, he says, were intended for a general audience and "not for a narrow circle of specialists, whose approval I do not anticipate" (p. 8).

The third section of this essay is a preliminary discussion of *Communism as Reality*. The study as a whole is an attempt by one member of the "narrow circle of specialists" to assess Zinoviev's analysis of communist society.[4] My approval is not unqualified, but I think Zinoviev is saying things about communism that are original and persuasive and which need to be carefully considered by anyone who wants to think seriously about the subject.

Ibansk

Yawning Heights contains so much that the reader is surprised to find how much it does not contain. It is mainly about Moscow intellectuals, to some extent about the leadership and the Party apparatus, and hardly at all about most of the Soviet population. It is true that Zinoviev takes the whole of Ibansk (and the Ism) to the cleaners: but he takes the Ibanskian intellectuals to the cleaners and back again several times. And that includes *samizdat/shamizdat*, the Taganka/Ibanka theatre and fashionable liberals.

The book does not contain any very conspicuous villains either. Stalin/the Boss is somewhere in the historical background. Khrushchev/Hog is an oddity whom different speakers regard in different ways: one of them even likens him to John the Baptist (with Solzhenitsyn/Truth-Teller as the Messiah). Subsequent leaders are just jokes in increasingly bad taste. It is true that the good guys (Bawler, Chatterer, Dauber, Schizophrenic, Slanderer, etc.) are easy to tell apart from the hacks (Colleague, Sociologist, Thinker, Wife, Writer), but they are all engaged in the same endless conversation about what is wrong with Ibansk. The hacks are toadies, careerists and informers, but they nearly all hold liberal views, at least when drunk.

So what *is* wrong with Ibansk? Why is the Ibanskian disaster so very nearly irreparable? And why are intellectuals such an important part of it? These are plodding questions to ask about such an extraordinary book, but the book itself invites them. It is, among other things, a symposium about these questions. The speakers are frequently serious and they seem to agree about the answers. Some of their arguments are familiar and others (I think) are novel.

The arguments that are more or less familiar from the discourses of other Soviet intellectuals include the following:

1. The great mass of the Soviet/Ibanskian people are quite contented. They trust the leadership more than they trust the in-

[4] Jeffrey Gleisner of the University of Leeds is another (Soviet) specialist who has felt impelled to examine Zinoviev's ideas at length. I have benefited from discussion and exchanges of drafts with him.

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tellectuals. The latter are a tiny and uninfluential part of the population. Most people are not interested in freedom of expression, freedom to emigrate, etc. (pp. 409–10 of the Penguin edition). Nor are they much concerned about economic waste and social apathy (p. 271).

2. Social progress is in the hands of the leadership; no other group can be expected to generate it (p. 376). By the same token, the Party/Brotherhood is the only force capable of maintaining order in the Soviet Union/Ibansk (p. 546).

3. Intellectuals have taken the most active part in restricting the scholarly and creative freedom of Soviet/Ibanskian intellectuals. The mediocrities, out of jealousy, enlist the support of the authorities to suppress creative individuals (p. 340). Most scientists, scholars, writers, artists and musicians are only too happy to pursue material privileges and honours through routine or phoney work in a professional environment that is subject to heavy political control. The book contains innumerable variations on this theme. This observation may not be familiar to non-Ibanskologists in the West, but it has been made very forcefully by Nadezhda Mandelstam in her memoirs, by Solzhenitsyn (especially in *The Oak and the Calf*), by Olga Ivinskaya in her memoir of Pasternak (*A Captive of Time*), as well as by Western scholars (John Barber, Gleb Struve).

4. There was a period of semi-liberalization under Khrushchev/Hog (" the Period of Perplexity ") but when things got a bit out of hand the authorities put a stop to them pretty smartly. Repression is far from being what it was under Stalin/the boss, but the manipulation of privileges (travel Over There, etc.), the threat of demotion or sacking, selective expulsion/permission to emigrate, *in extremis* the labour camps and asylums—these methods have worked quite effectively. The last part of the book—the Poem on Boredom—describes the return to normality, projected forward to the shambolic attainment of full communism/madogism.

5. The West/Over There is prosperous, free and scientifically and artistically creative. Anything significant can only come from Over There (p. 114). The ideas of Neizvestny/Dauber must come from Over There; where else could they come from? (p. 237). Over There they keep on inventing things; we hardly have time to steal one machine from them before we have to start thinking about the next (pp. 513–14). People in the West live in an atmosphere of common sense (p. 533). Throughout the book (until Ibansk takes over the whole globe) people are struggling to be allowed out on a visit Over There to buy things and to sample the latest Western intellectual fashions.

The ideas which seem to me to be novel can be summarized as propositions under four headings:

A. Marxist doctrine/the Ism is both idiotic and powerful. There

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is nothing new about applying either of these epithets to Marxist doctrine, but it is a rare social philosopher who can bring himself to apply both at once. Like some other Soviet philosophers writing outside the censorship (e.g. Esenin-Volpin), Zinoviev argues that several important Marxian concepts are incapable of being given any sensible operational application. The classless society can be attained but only by arbitrarily restricting the definition of "class" to categories related to non-Ibanskian societies—feudal and capitalist societies (p. 287). The word "exploitation" is irretrievably ambiguous. The "exploitation of man by man," according to Slanderer, can only mean the "use of man by man," and it is impossible to live in society without making use of others (p. 236). Full communism/the total Ism is a state in which "There is such abundance that there's nowhere to put anything.... Voluntary superactivists scurry about the streets begging the super-citizens: we implore you to accept this mink coat! Please, would you like this pure gold lavatory? ... Would anybody like the rank of Marshal and the Order of Great Member? ... Anybody here like to become a great writer?" (p. 610). And the dialectic, throughout the book, is a barrel of laughs.

At the same time "the general scorn for the official ideology in no way diminished its greatness." This is because it suited almost everybody (p. 259). The gnomic utterances to this effect (by Slanderer) remain unexplained for another 498 Penguin pages. Then Chatterer argues that Ibanism's great strength is that it promises a better future. In this respect neither religion nor science can compete. The theory of Schizophrenic and Slanderer "is infinitely closer to the truth than Ibanism," but all it does "is give a few isolated individuals a certain intellectual satisfaction and sense of direction." (p. 757) Utopias cannot be taken seriously—not on the grounds that they are not feasible but on the *a priori* ground that they entail combinations of circumstances that are logically contradictory (p. 532). (An illustration of this argument might be that the characteristics of a centrally administered economy which enable it to avoid significant unemployment cannot logically be combined with those characteristics of a competitive market economy that enable it to avoid microeconomic chaos and technological sluggishness.) For most people, Zinoviev implies, the attractions of a utopia are comprehensible while its logical inconsistencies are not.

B. The Soviet Union/Ibansk is a normal society in which normal "social laws" operate. This proposition is elaborated mainly by Schizophrenic, whose writings are subsequently alluded to with some reverence by Chatterer, Slanderer and others. The social laws are to do with the natural pursuit by human beings of their own material advantage and power. In Ibanskian conditions this pursuit is untrammelled by morality, law and opposition parties, and generates pervasive hypocrisy, corruption and oppression (pp.

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52–56). In Teacher's terminology, these social laws appear later as "negative parameters" of a social system: the negative parameters develop naturally, like weeds, while the positive parameters require special effort and cultivation (p. 644). What Ibansk lacks, according to Chatterer, is civilization (p. 381). According to Bawler (p. 631), Ibansk is in an "evolutionary cul-de-sac" because its people destroyed political opposition. What other countries, then, do exhibit "positive parameters" or civilization? And what is it about them that makes them different from Ibansk? Here Zinoviev is elusive, understandably, since it is Ibansk he is writing about, and not other countries. His characters do tend to regard Over There as a better place, even after they have been Over There. But it is not clear how far this is simply presented as a typical Ibanskian illusion. On the whole, I think Zinoviev is advancing something like proposition C.

C. The West/Over There really is more civilized (see 5 above), but this is an abnormal condition and unlikely to last, and in any case most people do not appreciate civilization. Some of the routine expressions of approval of the West have been noted under 5 above. But Chatterer, at least, regards Ibansk as arising from the deficiencies of Western civilization. One of the reasons why it is so hard to improve things in Ibansk is that Ibansk "is the way out of all the difficulties of mankind's past history. Or at least the result of attempts to find the way out" (p. 750). When Slanderer praises capitalism (p. 611), he does so by describing it as an "anti-social eruption" (i.e., contrary to the social laws in A above), "a temporary and partial victory of the creative I over the inert and stagnant We. . . . A transient phase between two forms of social enslavement. . . . [It] developed entirely owing to an oversight of the authorities."

So the argument seems to run something like this. The "inert and stagnant" mass are suckers for the phoney appeal of Marxian socialism (proposition A). This inclination fits with "the authorities'" preference for an absence of any rule of law, open public debate or political opposition. The resulting Soviet/Ibanskian society is a normal society in which the social laws operate (proposition B) and most people—but not intellectuals—are happy (proposition 1). The open and civilized (and capitalist) West, by contrast, is a hothouse growth which requires too much continuous effort (civilization) to have much chance of surviving for long.

This argument recalls Schumpeter's *Capitalism, Socialism and Democracy*, in which capitalism is doomed in large part because its virtues are not appreciated by those who benefit from them. The difference is that Schumpeter maintains a certain guarded optimism about the compatibility of socialism and democracy. Zinoviev does not say that a civilized Ism is impossible, but he does say that Ibansk

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is almost beyond the reach of civilizing influences, and that its character has a lot to do with the Ism.

One connection with the Ism is a Hayekian proposition about the nature of law and justice. As Bawler puts it: "A society which officially adopts the slogan that the interests of the people transcend those of the individual is a lawless society" (p. 575). It is argued that laws must be of general application and that it is to the rights of individuals that they must apply. Implied in what Zinoviev's talkers say at various points about the rule of law is the Hayekian view that "social justice" is a concept that cannot be given an unambiguous operational definition, and that attempts by the state to impose some hazy idea of social justice will tend to undermine the rule of law.

There seems therefore to be a conventional liberal element in Zinoviev's criticism of Ibansk. But added to the liberal view are the views that (i) an open society is almost an aberration; (ii) Ibanskian society is more normal, and (iii) most people—or at least most Ibanskians—act as though they prefer the latter. This suggests that the Ibanskian intellectuals who do not like Ibansk are out of luck: they are probably stuck with it. It also suggests that the choice between Ibansk and civilization is a choice that only concerns a small minority anyway. From the point of view of that minority, this is a rather bleak picture.

Yet Zinoviev also allows one of his characters, Chatterer, to argue towards the end of the book that Ibansk might be capable of becoming civilized: that civilization does have benefits for the whole of society, and not just for intellectuals, and that truth and free expression (the particular concern of the intellectuals) are the key to "moral progress." Thus there is one more proposition, which is not at all original in itself but which occupies a novel place in Zinoviev's scheme of things.

D. Freedom of expression is the crucial prerequisite for a better society. Chatterer argues that in normal or Ibanskian conditions moral actions are from time to time undertaken by individuals, but that this has no effect on the general character of Ibanskian society. Why? Because the sum of these moral actions is below a certain critical mass; only when that critical mass is reached do the social benefits of a general environment of moral behaviour become visible to most people (p. 800). This echoes something that Chatterer said 389 pages earlier: "... if a country does produce an influential group of critical intelligentsia who are capable of defending themselves, then such a country will in the long run profit from their existence" (p. 411). The social benefit that Chatterer seems to have in mind includes straightforward gains such as material prosperity, since Ibansk is more wasteful and less creative than Over There (see under 1 and 5 above). But the critical mass of moral behaviour is impossible to generate unless public moral judgment of behaviour is possible. Therefore Ibansk needs freedom of public expression

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guaranteed by law (p. 822). Once truth is publicly available, people will want more, but moral progress has to start with truth (p. 828).

This view, as Chatterer acknowledges, is commonplace. But it is an awkward part of Zinoviev's schema because it involves a common interest of intellectuals and the people at large, which is elsewhere strenuously denied any existence.

ARGUMENTS 1 to 5 and A to D are a crude summary of the diagnosis in *Yawning Heights* of the ills of Ibanskian society—at any rate as I read the book. The 829 pages (561 even in the small-print Russian-language edition published by L'Age d'Homme) contain, obviously, much more. As a diatribe against officially-promoted hypocrisy and an enormous sequence of parodies of official rhetoric, it is dazzlingly inventive. As an account of the mental world of the crypto-liberal or pseudo-liberal intellectuals in, or on the fringes of, the Soviet academic and artistic establishments, it is, to my mind, devastating. I think that even the most hardened Ibanskologist Over Here will be hard put to it not to view his Soviet academic acquaintances somewhat differently after reading Zinoviev.

I am not sure, however, that this book is quite the profound and all-inclusive analysis of Soviet society that some reviewers have claimed it to be. It is full of discussions about science (or science and scholarship; the Russian word *nauka* has been generally translated in the Penguin edition as "science" and *ucheniy* as "scientist") and about the scientific analysis of society. But its main effect, I think, is that of a passionate and hilarious piece of invective. Certainly it is not an amazing new source of insight into the working of, say, Soviet industrial planning, or a regional Party committee or the leadership succession problem. How could it be?

At the same time it does contain an analysis of Soviet society—which I have tried to summarize. The analysis is hardly of the empirically verifiable kind, or even of the rigorously *a priori* kind, that some of Zinoviev's characters like to romance about. Presumably it is an example of what he calls the *unnatural* (*neestestvennye*) sciences—the social sciences. It is coherent, often striking and not obviously implausible. For a Western Ibanskologist not to take it seriously would be unwarrantably arrogant. At the same time it contains a larger share of conventional elements than the stunning flow of paradoxes at first suggests. In particular it contains several notions that are in the tradition of the Russian critical intelligentsia. These include the special reverence for truth and individual morality. They also include a massive scepticism about the moral and intellectual potential of most of the population. This scepticism seems to prevail to the bitter end. In the last few pages Chatterer introduces a thin ray of hope into the surrounding blackness. After that he commits suicide.

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Communism as Reality

Zinoviev's latest book [5] is a work of exposition. I think it contains an element of mystification inappropriate to an expository work, but the exposition is there. It contains, moreover, a conventional structure which the author's arrangement of the text conceals. The existing division of the text into more than a hundred very small sections could be defended (a) as a way of forcing close attention to the development of a novel and profound argument and (b) on the grounds that each mini-chapter really does follow on from the one before, so that a re-grouping of the text into larger units would exaggerate the divisions between those larger units. To give an idea of what the book deals with, however, and to encourage those easily offended by an odd-looking text to read it,[6] I suggest that the text could be described under the following headings (page numbers inclusive):

> Introduction (5–23). Approach and method (24–47). Theory of communalism (48–87). Economic attributes of communism (88–99). The social psychology of communal life (100–124). Leadership, the Party and social hierarchy (125–157). Social stratification and inequality (158–165). Functions of the communist state (166–192). Ideology (193–212). Conclusions on the system as a whole and its prospects (213–230).

A full discussion of the contents of *Communism as Reality* would have to be of a length at least equal to that of the work itself. What follows is an outline and preliminary assessment of some of the main ideas. In general these correspond closely to what is said or implied in the satires. Most of the arguments that I have extracted from *Yawning Heights* are set out in *Communism as Reality*, and several of them are amplified. At the same time *Communism as Reality* explains the key role played in Zinoviev's theory of communism by the "commune" (*kommuna*) and "communalism" (*kommunal'nost'*), and this is not readily extracted from *Yawning Heights*. There are, on the other hand, some ideas which are developed in *Yawning Heights* but not, to my regret, included in *Communism as Reality*. In the latter book Zinoviev once again introduces, towards the end, what I described above as a "thin ray of hope." But the idea of a process by which "civilization" might be developed, and of a critical mass of moral behaviour

[5] From 1976 to 1981, by my count, Zinoviev published five literary works, two volumes of talks, articles and interviews and this volume of exposition. Though less massive than some of the satires, *Communism* . . . contains 230 pages of closely printed Russian text. Conventionally printed in English it would probably run to about 350 pages.

[6] "Odd-looking" for the additional reasons that the text contains no index, no footnotes, no tables, no dates, scarcely any numbers and very few proper nouns. According to my notes, the USSR, China and Poland are the only communist countries named, and the only persons identified are Hegel, Marx, Engels, Stalin, Mao, Orwell, Khrushchev and Brezhnev.

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that would enable the social norms of communist society to be changed, are not touched upon in *Communism as Reality*.

For a full account of his methodology Zinoviev refers the reader to his philosophical works (p. 7).[7] I have not followed this instruction, and will confine myself to three simple observations. First, Zinoviev claims (p. 39) to adhere to a dialectical approach derived from Hegel and Marx which he describes as proceeding from the abstract to the concrete.[8] He illustrates this (p. 41, paraphrased) by saying that an abstract statement (generalization) about the relationship between A and B is necessarily conditional on the assumption that other influences (C, D, etc.) are held constant. Empirical (concrete) observations may appear to run counter to the abstract proposition about A and B, but this may be only because variables C, D, etc., are not controlled. There is nothing in this that is not familiar from a conventional first-year economics textbook.

Second, his general (abstract) propositions are in most cases neither of an axiomatic kind nor are they presented as formally testable empirical hypotheses. They appear mostly to be offered as generalizations which anyone with experience of life under communism will recognize as corresponding to that experience. It is usually difficult or impossible to think of data which would provide a critical test. Readers without experience of communist society are, in effect, invited either to like Zinoviev's story or lump it. One gets the impression that Zinoviev has almost despaired of educated Westerners ever grasping "communism as reality" until they find themselves living in it.

Third, Zinoviev can be very sharp, at the expense of other persons usually unnamed, about failures to distinguish positive from normative statements, and tautologies from hypotheses. In the first respect he practises what he preaches, but the second distinction is one which he himself often blurs. The status of his propositions about "communism" (see below) is a major example.

These features of Zinoviev's approach will make it easy for those who dislike his conclusions to dismiss *Communism as Reality* as a compendium of "mere assertions." This would be unfair, but there is no getting round the fact that the book is a work of sociological grand theory. It offers those methodologically irritating things usually known as "insights," "approaches" and "frameworks." In other words, if you don't like Zinoviev's theory, no sifting of empirical evidence through public discourse is going to force you to like it.

[7] Originally published in Russian in Moscow and then, in some cases, in German and English. English texts include *Philosophical Problems of Many-Valued Logic* (Reidel, Dordrecht, Holland, 1963), and *Foundations of the Logical Theory of Scientific Knowledge* (Reidel, Dordrecht, Holland, 1973). These works were originally published in Russian in 1960 and 1967, respectively.

[8] He tells us that in 1954 he completed a dissertation on "The Method of Ascending from the Abstract to the Concrete" which circulated in *samizdat*.

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IT is, to begin with, a theory about communist society. Ibansk, it seems, is not merely the USSR but any communist country. Zinoviev denies (p. 5) that actually observed communism is primarily a Russian phenomenon. No other realization of the dreams of the oppressed classes and of "high-minded utopians, the classics of Marxism, etc." is possible anywhere (p. 10). He is writing about communism, abstracting from the geographical circumstances, history and traditions of particular countries (p. 39). He expressly omits China (p. 8) on the grounds that its inclusion would complicate the argument, but the Soviet Union serves only as an example of communism (p. 7); it is a "pure," "classical" example, exhibiting the phenomenon almost in "the conditions of a laboratory experiment" (p. 8), but it is not a singular phenomenon. In other words, Zinoviev regards his account as applicable to all communist countries. The only reference to a feature specific to a particular communist country other than the USSR concerns Poland, where he allows (p. 198) that the position of religion amounts to a special case.

I believe that the statement that this theory applies to all communist societies is extremely problematic. It is not clear, indeed, how its applicability to any one country at any one period could be decisively tested. But let us suppose that a consensus can be obtained among people with experience of Soviet life that Zinoviev's account fits their experience. Suppose further that (as I think probable) people with experience of life in Hungary and Poland in the 1960s and 1970s assert that their experience does not correspond to Zinoviev's account. Zinoviev would presumably reply that any differences are minor and secondary: the essential characteristics of social life in all these countries are the same. It would then be possible to bicker endlessly about what constituted an "essential" characteristic.

Zinoviev himself puts it like this (p. 44): a communist country in which "dissidents are persecuted, people are tied to their places of work and residence and there are no civil rights, is a normal communist society," while a communist country that does not exhibit these traits "is a deviation from the norm of phenomena of this type." I think this means that communism produces a general tendency, in Zinoviev's conception of it, towards the persecution of dissidents, etc., but that his theory does not assert that a communist social order is both a necessary and a sufficient condition of these outcomes.

If this is so, the theory would appear to be neither testable (in practice) nor tautological. In other contexts, however, Zinoviev appears to insist that propositions must go into one or other category. He says (p. 30) that any historical experience of regress in human affairs is sufficient to refute a general law of historical progress. Talk of combining communism with civil liberties is described (p. 36) as rubbish; it is like talking of capitalism without money, capital or profit. This would imply that an absence of civil liberties is part of

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Zinoviev's definition of communism: a country officially self-designated as communist whose citizens enjoyed civil liberties would therefore not be classified by him as a deviant communist society after all, but as something other than a communist society. At the same time he rejects as meaningless any general propositions about the process of transformation of one type of society into another. Such laws cannot exist, for the same reason that there can exist no laws "of the transformation of flies into elephants" (p. 30).

In general, the status of the term "communism" in Zinoviev's theory seems to me to be unclear. The exhortation to mankind to combat the evils of communism, with which he concludes the book (p. 230) is therefore even more delphic than it appears at first reading. One solution may be the physical destruction of the present communist societies, he says, but this is less promising than the alternative of trying to build civilization "on the basis of communism itself." If civilization and communism are so defined as to be mutually exclusive (as they seem elsewhere in the book to be), then what he is calling for is one of his unpredictable (but not, therefore, impossible) fly-into-elephant transformations: the resulting society will not be defined as communist.

IT may be best to say that the range of application of Zinoviev's theory has not been made clear. On the other hand, it is clearly (by his own account) a sociological and not a historical theory. The key element in the social structure of communism, in Zinoviev's account, is the commune or collective. (He stresses *kommuna* at first, but later seems to use *kommuna* and *kollektiv* interchangeably.)

The commune is, in ordinary Soviet parlance, the working collective: the industrial enterprise, research institute, collective farm or other basic production unit. Human behaviour within the commune tends naturally (cf. the "normal social laws" of Ibansk) to be a war of all against all (p. 48). Creatures with a biological drive for self-preservation will necessarily tend to exhibit these "communal" patterns of behaviour in any "gathering together of large numbers of people for joint life and [production] activity" (p. 46).

The character of life in communist society is derived from the imposition of these patterns of communal behaviour "from below," i.e., from the hundreds of thousands of communes. As in his other writings, Zinoviev stresses repeatedly that communism is not the imposition of a form of serfdom by one man, or a few men, on an unwilling population; it is the population's voluntary self-enserfment (pp. 38, 51, 110, 125, 129–30). The term "totalitarian" is inappropriate because it implies control from above (p. 38). (Here Zinoviev, as usual, takes no account of other writers. Arendt linked totalitarianism to a kind of "popular" basis [a different kind from Zinoviev's] in so-called

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"mass society."[9] When Zinoviev says (p. 38) that Stalin's totalitarianism had a social basis while Hitler's did not, his view of what counts as a "social basis" seems to be circumscribed by the Marxist ideology he despises.)

Zinoviev's account of communal life is intricate and persuasive. He deals interestingly with many matters—who gets into leadership posts, what the roles of the primary party organization, the trade union and rank-and-file party members are, and so on—which I shall not go into here. What is more important to his theory as a whole is the relationship between the individual commune and communism.

A superficial argument against Zinoviev's emphasis on the commune as the key element in communism would be that communes (in his sense) exist everywhere. Zinoviev accepts this (p. 50), and argues indeed that they provide a basis for communism everywhere. He contends, however, that there are features specific to communist society which allow communal behaviour to flourish. Some are to do with the specifically communist features of relations between individuals and their communes, and some are to do with the specifically communist features of the relations between communes. The fact that the rules of career-making, empire-building, buck-passing and column-dodging are universal is not in itself an impediment to Zinoviev's argument.

In communist society, in Zinoviev's view, "subordination to the primary collective" (p. 110) is especially difficult to avoid. Any form of independent existence outside a commune is a threat to the social order (p. 79). The only exceptions are a small number of people in the traditionally "free" professions (p. 51) and ordinary criminals (p. 93). Private enterprise, legal and illegal, exists and is tolerated because it is useful, but the entrepreneurs have to be based in a commune to keep them under control (p. 100). Furthermore—and this is a striking assertion—primary social groups other than the (necessarily official) commune can play only a minor role in the communist citizen's life (pp. 160–61). The social circles of family, friends and neighbours are composed of individuals whose attitudes are shaped by their own working collectives. This is why opponents of the official social order are often denounced or informed upon by relatives or members of their social circle, as well as by members of their own communes (p. 161).

The leverage which the commune can exert upon its members in communist society is all the greater because it is the source of such material rewards as are available (pp. 73, 86). Access to sanatoria, sick pay, sports facilities, nurseries, supplementary food supplies and so on is channelled through the commune (p. 101). The rewards are

[9] Hannah Arendt, *The Origins of Totalitarianism* (World, Cleveland, 1958). See also Stephen J. Whitfield, *Into the Dark: Hannah Arendt and Totalitarianism* (Temple University Press, Philadelphia, 1980), especially Chap. 4.

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modest because of the low productive efficiency of the system (p. 86), but this does not make the scramble for them any the less violent.

These are the features of the individual's relationship to the commune which Zinoviev identifies as especially communist in origin. He pictures the attachment of the individual to his commune as readily accepted by most citizens because it is a deal on relatively easy terms. It is almost impossible to be sacked, and you don't have to work hard: idling, thieving, hack-work and false reporting are an easier way of getting by (pp. 86–91). This is made possible by a system of mutual cover-ups and—ultimately—by the fact that the fate of individuals and collectives does not depend upon the sale of their output (p. 97).

Zinoviev's picture of a deal between individual and commune is reminiscent of the notion put forward by some Western political scientists of an implicit social compact between regimes and populations in Eastern Europe.[10] There is nonetheless an intriguing difference. The outside observer perceives the deal as struck between national leaderships and entire populations; Zinoviev gives a worm's eye view: the individual citizen is concerned with his particular bosses and colleagues, not with the Politburo. And the difference is not merely a matter of a different angle of vision on the same phenomenon. The national hierarchy is real enough in Zinoviev's account, but everyone in it is trapped in the system of communes. The national leaders are not able to offer any other sort of deal to the population at large.

Communal behaviour, according to Zinoviev, prevails under communism not only because of the particular character of relations between individuals and communes, but because of the nature of the national hierarchy of communes, as well. "The essence of the historical process which gave birth to contemporary communist society" was the formation of a "standardized cell structure." Each commune is the whole society in miniature (p. 73), and within each cell citizens with standard attitudes are formed (p. 74). In addition, communal life under communism is affected by the special character of competition in communist society. Zinoviev says that in Western societies competition has in the past been, and to some extent still is, akin to contests in running and jumping, where the individual competitor's performance is not directly affected by what the other competitors do. In communist countries, by contrast, competition takes the form of "preventation" (*preventatsiya*) in which the winner is the one who does most to hold the others back (p. 106).

Zinoviev is characteristically gnomic on this point. I take it that he is merely making the conventional and commonsense observation that economic competition on markets has been a basic characteristic

[10] See in particular Alex Pravda, "East–West Interdependence and the Social Compact in Eastern Europe" in M. Bornstein, Z. Gitelman and W. Zimmerman (eds.), *East–West Relations and the Future of Eastern Europe* (Allen & Unwin, London, 1981).

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of Western society. He may perhaps also be alluding to political competition between parties in the West. At all events, he must be referring to a difference in the relationships among, rather than within, communes in East and West, though he does not make it clear. The rendering of the straightforward and conventional into the opaque and paradoxical is part of his style.

The larger structure of which the communes are primary cells is described as hierarchical (p. 151). The party apparatus directs and shapes the whole hierarchy (pp. 123, 167). Party power and economic power are unified (p. 128). The highest authorities are powerful in the negative sense of being able to get away with anything, but powerless in the sense that they are unable to do anything positive: the least little reformlet (*reformochka*) runs into all sorts of difficulties (p. 123). I think that what Zinoviev means is that the highest authorities can get away with murder (literally) but that they are unable to alter the system as a whole even if, as individuals, they might wish to do so. This is because people in the power structure are always at one another's throats (p. 124).

THE observations by Zinoviev which I have grouped together in the last three paragraphs amount to a fairly conventional view of a Soviet-style economy and polity as a single hierarchy. At the same time he is saying that the character of the society as a whole stems from the untrammelled operation of communal behaviour within the communes—the primary cells of the system. The great majority of people enlist voluntarily in the war of all against all which is conducted in their communes, and this fact tends to preclude the maintenance of basic human rights. A less assertive and less conspicuous part of what he is saying, however, is that life within the commune is what it is in large part because of the character of the larger society (a unified hierarchy) of which the communes are constituent elements. When this is stressed, his vision of communist society seems less at variance with more conventional accounts. It is, I think, an original vision none the less. Zinoviev's greater emphasis on the commune and communal behaviour is a distinctive part of his theory. But he does not deny that the national hierarchy and the tendency to communal behaviour interact to produce the phenomena he is describing. The appropriate metaphor is the one that Marshall used to characterize the operation of supply and demand (on price): the two blades of a pair of scissors.

Zinoviev's emphasis on the most original element in his conception of communism is understandable. It is not entirely consistent, however, with his general view of hierarchy. He takes it as self-evident (p. 12) that hierarchy must exist in any large human organization. He must therefore regard the existence of a hierarchy within each commune as unavoidable in any society. The sort of hierarchy which, as

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I understand him, could be avoided is precisely the unified national hierarchy of a communist state; yet that is the part of the story which he plays down.

He has some striking things to say about the degree of unity of that national hierarchy. On the one hand he insists that the notion of interest groups struggling to influence policy is not applicable to communism (p. 167). On the other hand he attributes much of the stagnation of communist society to the difficulty of overcoming objections to change from "sections of the authorities" (*otdely vlasti*, p. 186). He stresses the community of interests of those who are highly placed in communist society. Generals, he says (p. 167), have more in common with academicians and factory directors than with soldiers. Different elements in the system of power interlock at the summit (p. 167). Mutual acquaintance and mutual dealings are always possible amongst members of the most privileged strata, and they are conscious of their shared privilege (p. 161).

The implication of this is, I think, that the distribution of privilege and formal authority cannot be challenged by any group that is not already part of, and close to the top of, the party-controlled national hierarchy. This explains his argument that the term "politics" cannot be applied to what goes on in communist societies. By "politics" he understands a game between independent groups in which the stakes are the distribution of power (pp. 171–72). But Zinoviev does not rule out the possibility of struggles between factions or tendencies over such less than apocalyptic matters as, say, the pollution of Lake Baikal or the direction of Soviet foreign policy.

Zinoviev is less interested, however, in national policies than in what it feels like to live in a communist society. His emphasis on the self-enserfment of the majority through their self-interested behaviour within the commune reflects his personal experience. He was refused foreign travel and other privileges by people who were in effect his professional colleagues. In his last few years in the USSR he was positively hounded by them. I mention this not as an *argumentum ad hominen* but simply to point out that the Soviet sovietologist has certain advantages over his Western colleague. Ignorance may, in this case, be bliss, but it is still ignorance. A good example of the difference of experience is Zinoviev's insistence on playing down the role of the KGB. Western observers, he says, are apt to ascribe to the KGB, or to fear of the KGB, Soviet behaviour which is usually more affected by fear of friends and colleagues. The KGB deals only with those exceptional cases where the prevailing communal atmosphere has not sufficed (p. 58).

Self-enserfment is not, of course, a matter of individuals separately limiting their own freedom. It is the repression of the individual by the majority, the mass or the collective. Zinoviev always speaks with profound bitterness of the mass or the average person.

Did Marxists and other utopians in the past "really not know of

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the numerous occasions in history when the power of the people issued in bloody terror and horrifying inequality? " (p. 11).

" The Soviet Union is like the average Soviet person: untrustworthy, false, irresponsible, behaving like a lout when it senses its superiority in strength, prepared to grovel before something stronger " (p. 60).

" I know no fouler phenomenon in human intercourse than the intimate closeness of Soviet people " (p. 109).

Communist society is generally successful in forging the " new man " because it is good at making bad things (p. 113).

It is a peculiarity of communism that scandal-mongering and slander are a normal weapon of communal life. There are no inner restraints upon it, whether " fear of God, conscience, moral principles or upbringing " (p. 118).

What mass activism really means in practice is the activism of a few people who get onto every committee, compile dossiers on their colleagues and in general behave like a bunch of gangsters, terrorizing others (pp. 147–48). This was the basis of Stalinism. Fortunately the central authorities, needing more efficient organization in what is now a more complex society, now limit such activism through more formal and bureaucratic controls from the centre (pp. 135, 148, 176).

" Here [11] people themselves do not believe in the moral qualities of their fellow-citizens, and do not rely on them—that is the deepest foundation of the non-morality of the society " (p. 210).

In general, the mediocrities relish the system because it enables them to suppress creative individuals (pp. 92, 107, 174).

The prevalence of shameless behaviour is not explained entirely (or at least, not directly) by the structure of communes. There are also two important cultural elements in the system (" cultural " is my term, not Zinoviev's). They are ideology and the absence of civilization.

Zinoviev has a great deal to say about ideology, and it is all of interest. Some of it has already been described (proposition A in the " Ibansk " section of this study), and this is in any case not the place to examine the topic at length. It should be enough to say here that Zinoviev expounds in full his reasons for regarding ideology as simultaneously meaningless and highly effective. " Ideological processing " helps to adapt communist citizens to the circumstances of their lives. It trains them to hold irreconcilable public and private views without strain. It also trains them to respond to subtle cues: communist citizens, according to Zinoviev, generally know what is expected of them on public occasions, when meeting foreigners, etc., without having to be perpetually prepared and drilled in advance (p. 204). And ideological processing also helps to eliminate any real (personal) morality (pp. 208–10).

[11] *Communism as Reality* was completed in Munich in March 1980, but throughout the book " here " means the USSR.

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As *Yawning Heights* indicated, the absence of civilization plays a key role in Zinoviev's view of communism:

> " The progress of humanity has come about to a significant extent as a process of inventing ways of limiting and regulating these laws [of communalism]—morality, law, religion, the press, open discussion, public opinion, ideas of humanism, etc. . . . [In the absence of such restraints] there arises a special type of society in which indifference, violence, corruption, bad management, buck-passing, irresponsibility, hack-work, boorishness, idleness, disinformation, deceit, drabness and a system of official privilege will flourish " (pp. 52–53).

Morality, law and the other restraints on communalism are what civilization consists of. It defends man against " the power of combinations of other people " (p. 21). The argument that civilization is unnatural, and a forced growth, is repeated from *Yawning Heights.* Communism, since it is the very flowering of communalism, is the opposite of civilization. By the same token, it is more natural: communism is like falling, whereas civilization is like flying (p. 22). What Zinoviev means by " civilization " seems to be exactly what Walter Lippmann meant by " civility " and the " public philosophy." Indeed Lippmann wrote of " man living in the civilized tradition, who . . . rules his private impulses by the laws of the public word." [12]

The commune, communalism, civilization and ideology are (I suggest) the crucial concepts in Zinoviev's theory. There are many subsidiary concepts and arguments that deserve discussion, but the main links between these four concepts form, in my judgment, an outline of the theory.

Some Implications of Zinoviev's Thinking

There are three aspects of Zinoviev's thought on which I wish to comment by way of conclusion. The first is his insistence that territorial expansionism is built into communist society. The second is his implication that the West is, at least to some extent, the repository of civilization. The third is the tone of animus, vehemence and vituperation which sets *Communism as Reality* apart from those conventional works of social analysis in which the watchword is, if not objectivity, at any rate *toujours la politesse.*

Zinoviev takes it as given that communism is expansionist. His problem is presented as one of accounting for an observation, not justifying an assertion. Explanations which rely on either a Russian historical tradition or an ideology of world revolution he dismisses as banal and nonsensical: why put an existing empire at risk for such ludicrously inadequate reasons? Only a sociological account will suffice (p. 28).

[12] Walter Lippmann, *The Public Philosophy* (Mentor, New York, 1956), p. 109. *The Public Philosophy* was first published in 1955.

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Having, in effect, promised a sociological account of this expansionism, Zinoviev does eventually (p. 222, plus a passing remark on p. 92) provide one. It consists of a list of seven factors tending to produce territorial expansion:

(1) Expansion is a way in which leaders can make themselves more important.
(2) It is a way in which more resources can be acquired, and this becomes urgent as the communist economic system tends towards stagnation (pp. 92 and 222).
(3) It increases the number of leadership posts available for the next generation.
(4) It reduces the basis for unfavourable comparisons with communism.
(5) The ideology justifies it.
(6) It feeds the leaders' love of personal glory.
(7) No significant internal force opposes it.

There is, I suppose, some force in this list. What Zinoviev does not demonstrate is that there is enough force in it to overcome the arguments in favour of caution. Moreover, such successful expansionism as might be pointed to (Cuba, Vietnam, Angola) is not easily related to the above list. It has almost certainly entailed a net loss of Soviet resources, for example, and it might be said to have increased the basis for unfavourable comparisons with communism. Indeed Zinoviev himself goes on (p. 223) to describe the alleged Soviet pursuit of world power as a product of inertia and schizophrenia. It is irrational because the maximum feasible size of a single social system is less than that of the world. Therefore even worldwide communism would split into rival power-blocs, as the USSR and China have already done.

So far as the West is concerned, Zinoviev often implies but never explicitly states some relatively favourable observations. His reticence about the West is consistent with his general approach. In the first place, he insists that communism must be studied as an independent phenomenon and that comparisons with the West or with past history are unhelpful (p. 36). Secondly, he is—by nurture if not by nature—a specialist in brickbats with an aversion to bouquets. None the less anyone who (like myself) feels that the liberal capitalist West is grossly underrated by its own intelligentsia can take some (not much, but some) comfort from Zinoviev.

It has been indicated that civilization is, in Zinoviev's vocabulary, an entirely favourable phenomenon. It is what human progress—which he regards as possible but in no way inevitable—is about. In two places he specifically refers to "Western civilization" (pp. 19 and 171). And on p. 90 he refers to Western society as a formal-legal society—an important part of his notion of civilization.

If the West is for the time being the repository of civilization, however, it is far from clear that it is also the main repository of Zino-

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viev's hopes for civilization. This is, I think, because the West is seen as containing strong elements of communalism itself while showing little understanding of what it is up against in communism. He makes the standard dissident accusation that the West has made "huge efforts to help the Soviet Union strengthen its army and avoid economic catastrophe" (p. 20. This is a proposition which I would describe as grossly exaggerated but not entirely misleading). And he points to opposing tendencies, favourable to civilization, which arise precisely where communism has triumphed and has thus brought home to people how appalling the absence of civilization is. These tendencies he identifies in the dissident movement and—strikingly—in the efforts of the Soviet central authorities to restrain communalism in the interest of greater productive efficiency (p. 23).

Zinoviev relates the difference between communism and civilization to differences in resource ownership. He does not identify capitalism with civilization but he does say (p. 15) that the socialization of the means of production and the liquidation of private owners and entrepreneurs are the main conditions (along with a centralized administration) that must be fulfilled before communist (i.e. communal) social relations can prevail in a country. By "socialization" he appears to mean the transfer of legal title to the state. That is something he distinguishes (and there is nothing original in this) from command (*vladenie*) over resources—the power to buy, sell, transfer or destroy. This power is simply incapable of being exercised by a whole population (p. 77). Therefore social property (*obshchestvennaya sobstvennost'*) is a contradiction in terms (the derivation of the two Russian words itself implies a contradiction). All property is necessarily private (p. 78). It has already been mentioned that Zinoviev views productive work as being done better where there are markets and competition. But communism has to limit the extent of private enterprise (the concept of "market socialism" is something he does not discuss) despite its potential for economic improvement. This is because any development of private enterprise much beyond existing levels in communist countries would lead to "the accumulation of wealth in the hands of people who do not occupy high social positions, which is contrary to the general principles of distribution [in communist society]" (p. 100).

Finally, there is the question of the sheer animosity towards communism which is so frequently and so vehemently expressed in *Communism as Reality*. This is in my view a strength and not a weakness of the book. For all his strenuous (or at any rate ingenious) attempts to disguise the fact, Zinoviev is an impassioned moralist. In *Communism as Reality* the moralizing and the analysis are placed alongside one another in an open and straightforward way. It is easier to separate the moral evaluation from the analysis of cause and effect than it is in a great many of the blander and more discreet works of social analysis to which we are accustomed. (In this respect, the book

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reminds me of Paul Goodman's attack—both passionate and penetrating—on Western society in *Growing Up Absurd*.)

THE reservations that I have about *Communism as Reality* are not on that score, but they are related to it. The book gives an original and persuasive account of social control in the Soviet Union as something rooted in the working collectives and not simply as something imposed from the top down. It is also a powerful moral critique of communism, from an anti-utopian standpoint: a remarkable elaboration of the liberal-conservative proposition that revolutionary utopianism leads to especially unpleasant societies. Zinoviev does not, however, show clearly where, exactly, the limits of his definition of communism lie. Nor does he, in my view, fit the top leadership and the overall national hierarchy into his account in an entirely coherent way.

The enormous emphasis on the primary collective is connected with a moral indictment of virtually the whole population. This seems excessive. I say this, not simply out of a sentimental insistence that people in general cannot really be *that* bad, but because I doubt anyone's power to know some of the things that Zinoviev asserts. An academic philosopher who announces that the great majority of his former fellow-citizens are devoid of conscience and scruple reminds me, depressingly, of Western radicals who know, somehow, that everyone but themselves is afflicted with false consciousness and brainwashed by advertising. One wonders whether experience specifically of an intellectual collective has not been over-generalized. Is it really as impossible for a sheet-metal worker, say, to stay clear of the moral swamp of careerism, toadying, informing, etc., as it is for an employee of the Academy of Sciences?

Kenneth Boulding wrote, *à propos* of Marshall McLuhan, that "It is perhaps typical of very creative minds that they hit very large nails not quite on the head." *Communism as Reality* develops a theory of communist society from some of the most elementary attributes of human beings. It contains social philosophizing of a timeless sort, which operates at a high level of generality. I think it operates, at least in part, successfully. At the same time, I suspect that a well-founded revulsion against the Soviet primary collective may have led to some over-emphasis on its role. Zinoviev displays communal life and its role in the communist social order in a brilliant and pitiless light. The workings of the upper reaches of power are more fitfully illuminated.

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Economic State Control in Italy

Giuseppe Are

THE foreign observer of Italy in the 1970s may have considered that the outstanding phenomenon of those years was the rise of the Communist Party and the fact that it came near to reaching a relative majority. The serious setback sustained by that party in the national and European elections of June 1979, he might therefore conclude, signified a substantial weakening, or even eclipse, of the possibility that a collectivist type of regime affecting the social, economic and institutional spheres might come to be established in Italy.

Someone living in Italy, on the other hand, is inevitably more aware of the fragmented but profound movements which have gradually taken place in these spheres over and above the political vicissitudes that play a more obvious part in the scene. His day-to-day experience tells him that changes have already profoundly altered certain fundamental structures in the life of the country in ways that are far-reaching. These have already resulted in a vast restriction of liberty of movement both for the private individual and for the autonomy of civil society, accompanied by an enormous extension of the conditionings, interferences, controls, impacts, restrictions and judgments of the political power. These practices, he may feel, though usually justified by reasons of the common good and lofty collective aims, are in fact in many cases the instruments of highly sectional organized interests, and, far from having the optimum effect on what Pareto called the benefit of the collectivity or in improving and rationalizing its functioning and internal relations, they result in waste, disorder and added inducements to conflict. This tells a different story. And, as we shall see, it constitutes a significant part of our problem.

Seen from this point of view, the rise of the Communist Party in Italy in the 1970s, the increased power of the greatest protagonist of a collectivist and totalitarian (or "socialist" in the extreme sense) policy in an industrial democracy, ceases to appear as an isolated and pre-eminently political phenomenon, but as one aspect of a complex system of interacting factors. Yet the changes in Italy's economy, society and politics are not without counterpart in other industrial democracies. Italy is not the only country in this decade to have experienced the explosion of a fiscal crisis and an unprecedented rise in public expenditure to levels which have become a prime cause of rampant inflation. Italy is not the only country in which private savings have been eroded by inflation and the indebtedness of public finance. Italy is not the only country to have experienced such phenomena as the profitability of investments being reduced or annulled by the monetary manipulations of the state; an enormous increase in the

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proportion of national resources absorbed by the state and diverted to various ends; prices of important public services being utilized as an essential political instrument to secure consensus, resulting in an ever-increasing burden for that part of the market economy which may still be functioning; certain economic activities receiving state support for political reasons irrespective of disastrous costs; trade unions achieving intractable powers of veto so as to prevent a unified and planned conduct of the national economy, while not having the cultural capacity to govern it, or contribute to its governance, themselves; political and bureaucratic management supplanting entrepreneurial management in crucial economic activities; and, lastly, the international economic upheavals of the 1970s causing important intellectual and political groupings to demand ever more state control and restrictions.

SEEN in a broader context, the changes that have come about in the structures of the Italian economy and state could with some justification be regarded as a fulfilment, if in many respects a retarded fulfilment, of the *social state* which from the early 1960s has been developing in all industrial democracies. Advances in secondary education and in access to universities, the completion and strengthening of the social security system (insurance, pensions, social benefits), the statute governing workers' rights in factories, the increased transference of social-welfare responsibilities to the state system, the abolition of certain inequalities in the sphere of civil rights, the liberalization of certain cultural restrictions such as censorship, the advance towards educational democracy, the increased financial involvement in favour of the poorer regions, the extension of the various guarantees protecting certain income categories against economic fluctuations—all these things undoubtedly form part of the implementation of the social state.

Now, it is a familiar fact that today the social state is more or less in crisis everywhere, because everywhere it has called for the tightening of controls in the use of productive factors, allocation of expenditure and in transfers of income and the maintenance of increasingly costly social services. But in Italy the implementation of the model has not succeeded in producing any appreciable attenuation of social conflict and political divergences. Moreover, it has failed to evolve any effective machinery of power capable of governing the enormous processes of adaptation imposed by the upheavals of the international economic situation. Certainly, as we shall see later, many specific features in Italy can help to explain such failures. But it is at least permissible to wonder whether the crisis through which the social-democratic model is passing in Italy—that of a mixed economy with widespread state economic intervention, intensive corporatization of class interests, and politicization of the use of resources—may not also be an indicator of what are its inherent weaknesses on a more general scale. Fascism was certainly the offspring of Italian history. But it served also to

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reveal the profound and common inadequacies of the European liberal system, both domestically and internationally.

Thus an analysis of some of the changes which have taken place in Italy's economy and political system need not abandon purely empirical procedures in order to provide a useful subject of comparison. But it is also of interest for another reason. It in fact enables us to test the actuality and validity of a tradition of economic and political thought which, though eclipsed by more recent trends and by the various self-justifying ideological manipulations which have accompanied these changes, has deep roots in Italian culture and has made substantial contributions to European culture. In the philosophy of Pareto, Pantaleoni, Einaudi and Barone, economic theory was not divorced from social and political considerations. The concept of economic state socialism (*étatisme*) as an instrument of appropriation and extra-economic redistribution of economic goods; the analysis of political prices, as an instrument of consensus or exploitation to the advantage of particular sectors of society; the identification of criteria which make it possible to measure the rationality and applicability (*Zweckmässigkeit*) of plans to correct market conditions, etc. etc.—all these are instruments of knowledge which can afford a sure guide in these years for standing back from the dominant popular fetishes and for understanding what is actually happening, and in whose interest.

What happens to Italians' savings

On 31 December 1968 ordinary state treasury bonds amounted to 10·6 per cent of the value of all shares in circulation on the Italian stock exchange. On 31 December 1976 they amounted to 34·9 per cent. At that date 84·5 per cent of shares in circulation were issued either by the state or by its autonomous companies or other public corporations (ENEL, the Ente Nazionale Energia Elettrica—electricity; ENI, the Ente Nazionale Idrocarburi—hydrocarbons; etc). Only 2·4 per cent were issued by private companies. Altogether, fixed-interest state or public corporation shares offered for public subscription in 1967 amounted to a total of 3,275 milliard lire. In 1975 they were subscribed to a value of 18,794 milliard lire (at constant prices). As against this avalanche of public issues, ordinary shares issued in 1966 amounted to a total of 251 milliard, and in 1975 to 284 milliard (at constant prices). The some hundreds of public fixed-interest bond issues made at the end of the 1960s and the beginning of the 1970s had a market quotation which in 1977 oscillated on an average at around 75 per cent of their nominal value; and they had a current annual yield of at best no more than 10 per cent, in other words several percentage points lower than the average rate of inflation of the period 1974–77 (and after). The few ordinary investments were even harder hit, and this contributed to explain their stagnation. A sum of 100 lire invested in shares at the beginning of 1968 was reduced on

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average to 62 lire in June 1977, even assuming that all the interest was reinvested in the same share. But for many specific industrial shares the loss was even greater: in the case of iron and steel, the initial sum was reduced to 34 lire, in that of textiles to 36, etc. This, of course, merely takes into account the quotation-rate, not the monetary devaluation affecting the sum remaining. As is well known, ordinary shares in the 1970s had a difficult time in all industrial countries. But whereas from 1971 to 1977 the general index of Italian shares fell from 100 to less than 50 (showing a steady decline with the exception of only a few months), that of Belgian shares, for instance, remained above 100 after having reached a peak of 160; that of French shares fell to 85, but after having been regularly above 100; German, were not much below 100; English, rose to 140 after a sharp fall between 1974 and 1975; and American were constantly around 125. In all these years, with rare exceptions, the annual percentage yield of Italian shares oscillated between 2 and 6 per cent. All these facts demonstrate the impact of two very important processes: (i) Italians' savings are almost entirely absorbed by the state and the public sector which have gradually, but quite quickly, got possession of them by means of inflation; (ii) The flow of savings towards private concerns and risk capital has been virtually blocked.[1]

How business concerns function and live

Let us now consider what effects this state of affairs has on the country's productive apparatus, as seen through the accounts (balance sheets and management indices) of 828 companies in all productive sectors, representing in size about three-quarters of the 7,951 Italian joint-stock companies, for the decade 1968–77. At the end of 1977 the net fixed assets of the companies under consideration (leaving aside monetary revaluation) represented less than an eighth of their total debts (64,319 milliard lire), whereas in 1968 they represented nearly a half. Between 1968 and 1977 the net fixed assets of those companies increased by 1,360 milliard lire, but their debts rose by 56,535 milliard. Between the beginning and the end of the decade the composition of their cumulative balance-sheets underwent profound changes. On the assets side, the percentage represented by plant and machinery fell from 66·9 to 64·5 per cent for the 19 largest companies, and from 54·5 to 41·2 for the other 809 concerns. The liquid funds, on the other hand, rose in about the same proportions. On the liabilities side, amortization funds fell considerably and debts rose (from 42·7 to 53·7 per cent for the largest companies, from 48·3 to 57·9 per cent for the others), especially short-term indebtedness to the banks.

At this point it is instructive to consider separately the situation in publicly-controlled companies and in private ones. In 1968, in public

[1] All these data are taken from *Indici e dati relativi ad investimenti in titoli quotati nelle borse italiane (1968–1977)*, ed. by Mediobanca (Milan, 1977).

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companies the proportion of the total was 45·6 per cent for plant and machinery, 30·8 per cent for production and 28·7 per cent for personnel. In 1977 those percentages were respectively 53, 37·6 and 35·1. This means that although the public companies had immobilized in plant more than half the total capital destined for that purpose by all the companies under consideration, they made a proportionately much smaller contribution in goods and services and also (despite their tendency to employ excess personnel) in employment. In that same decade (1968–77), in fact, for every 100 lire of fixed assets the private companies produced on an average twice as much as the public concerns.

The financial aspects of the two groups also differed markedly. Expenditure of the public companies (c.39,000 milliard lire) was covered as to 73·3 per cent by indebtedness, that of the private companies (c.38,000 milliard) 57·8 per cent. In 1968, for every lira of net capital the public companies owed 3 lire in debts, the private ones 1·7 lire; the corresponding figure in 1977 was 6·6 lire for the public, 3·6 lire for the private companies. In 1968 the ratio between financial debts and net capital was 2·2/1 for the public, 1/1 for the private companies; in 1977, respectively, 9·7/1 and 2·6/1. In 1968 the plant and machinery of the private companies were covered as to 92·1 per cent by net capital and amortization funds, whereas in the public companies those resources covered 59·3 per cent. In 1977 that coverage had fallen to 80·6 per cent for the private companies, 43·2 per cent for the public. These figures demonstrate the different policies of capitalization and development pursued by the two types of company. During the decade, despite their difficulties the private companies increased their capital in real terms, while that of the public companies fell, showing a total net loss of some 6,000 milliard lire. The public companies aimed to expand their productive structure even when the economic situation drastically restricted their market prospects, and their limited margins of self-financing compelled them to finance new investments by further indebtedness at ever-increasing cost. At the beginning of the period, in 1968, the private companies' fixed assets were 20 per cent higher than those of the public companies. Up to 1973 investments of both groups were roughly similar. Between 1973 and 1977 the public companies invested about 25 per cent more than the private in new plant. But in which sectors? The public companies, to give a single example, continued to plan and construct new factories for iron and steel, synthetic fibres and heavy chemicals (without, in many cases, technical renovation of their existing plant) even after the world crisis of overproduction in those sectors had become apparent.

During this decade two-thirds of the companies' resources were provided by external sources, of which the banks accounted for 45·4 per cent. Paradoxically, the proportion of net financial requirement covered by indebtedness during the decade was on average 80·3 per cent in the case of the companies regularly showing a loss (53·6 per

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cent in the first year), 69·3 per cent for those showing frequent losses, and 54·2 per cent for those regularly making a profit. The figure was 73·3 per cent for public companies, 57·8 per cent for private (50·5 and 42 per cent respectively in the first year) which demonstrates clearly which were the companies most frequently, or constantly, showing a loss. That means that the greater a company's losses, the more credit it secured. In respect of all companies during the decade, self-financing covered 47 per cent of the increase in net fixed assets. But for the public companies that coverage amounted to 26·3 per cent, for the private firms 76·1 per cent. This financial situation, together with other factors, favoured neither investment nor a sound policy of amortization. Gross investments at constant prices in 1977 were slightly higher than in 1968, but a third lower than in 1971, the year in which the regular decline set in. As to amortization, the proportion of plant written off at the end of 1977 was 57 per cent for the private companies, 35·5 per cent for the public, while the annual proportion during the decade was 7·3 and 5·3 per cent respectively.

All these data provide an important overall picture of the facts and developments involved.[2] The productive apparatus of goods and services found its self-financing capacity drastically reduced, with a corresponding loss in financial autonomy. Consequently firms had to depend increasingly for their programmes, needs and survival on financial aid and outside sources, just at a time when the financial market was undergoing the upheavals described earlier, when the banking system was almost completely subject to direct or indirect political control, was administered according to largely non-entrepreneurial principles, and was subjected to increasingly rigid restrictions aimed at directing savings towards the public sector and facilitating the financial manipulations of the state (compulsory subscription to specific quotas of government bonds, fixed quotas of government bonds in the portfolio, fixed quotas for special financings outside the market, etc.). This gave the political class and the varying power combinations supporting the government considerable levers to influence and condition productive activities. Thus firms which showed particular readiness to depart from the normal entrepreneurial criteria of management proved in fact to be those which were able to count on privileged—and political—sources of finance. Consequently public concerns were in the forefront, if one can put it that way, in indebtedness, under-capitalization, mistaken and ill-timed entrepreneurial decisions, and in the locking-up of vast amounts of capital in sectors, periods of time, places and activities condemned by the market. They were in the forefront in exerting pressure towards perverting the functions of the credit institutions and extending the system of easy credits, and then in the use of those credits, by inadequate amortization allowances, in blackmailing the

[2] These figures are taken from *Dati cumulativi di 828 società italiane (1968–1977)*, ed. by Mediobanca (Milan, 1978).

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political class into keeping loss-making firms alive at public expense, and in furthering, and often promoting, all those forms of trade-union rigidity that restrict an economic use of productive factors, as well as in the wage policies that have become one of the prime causes of inflation. All this means, among other things, that public concerns, having moved further and further away from the specific economic functions that provided a reasonable justification for them in the 1950s and 1960s, as a result of internal as well as outside pressure increasingly became instruments for the control of civil society by the political class, for promoting agreement with that class, and for restricting the sphere and freedom of movement of private entrepreneurship and, more generally, of the economically independent middle classes.

Characteristics of public finance

As we have seen, the public sector took the lion's share in absorbing the financial resources generated by the country's work and savings—the public sector covering the state, regions, provinces and communes, public services (railways, posts and telegraphs, state roads, state monopolies, telephones, etc.), hospitals and social insurance, municipal services (water, lighting and gas), and the National Organization for Electrical Energy (ENEL). The following considerations and data concern all these bodies and in certain cases, shown separately, the Treasury.[3] In 1970 the net indebtedness of the Treasury absorbed 4 per cent. of the GNP, that of the public sector 4·8 per cent. In 1975 those figures rose respectively to 12·2 and 14·6 per cent, and the respective averages for 1970–75 were 7·5 and 9·6 per cent.[4] This indebtedness was by far the highest among industrialized countries with a market economy. In the first years of the period under consideration in most of those countries savings were effected in the public sector. In 1975 all those countries showed indebtedness, since the economic crisis brought expanding budgets. But, apart from Eire, Italy's indebtedness in relation to the GNP continued to be the highest, and was more than twice the average. Thus the absorption of national savings by the public administration and its indebtedness demonstrate features in Italy which seem to differ profoundly from the corresponding phenomena in the other industrialized democracies. First, these features are no longer ephemeral but from 1967–68 onwards (i.e. long before external crisis symptoms appeared) take on a stable, structural

[3] This list of what comes under the heading of the public sector does not include the state holding companies (*Aziende a Partecipazione Statale*), which were discussed earlier. Legally they count as joint-stock companies and, as far as their accounts are concerned, are considered together with the private companies.

[4] In 1970–75, 80·3 per cent. of family savings went to the public sector; and those savings accounted for 84·2 per cent. of national financial savings. I would mention here that most of the subsequent data given on public finance ends at 1975—the Financial Administration's delay in providing statistics being only one (and not the least) of its shortcomings. Data emerging sporadically in the specialized press, however, suggest that all the phenomena described in this article have *worsened*.

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character and become an organic and permanent feature of the Italian state. Secondly, they achieved such dimensions as to upset profoundly the reciprocal relations between the political power and civil society, substantially limiting the latter's autonomy. In 1975 the public administration in Germany absorbed 27 per cent of the national savings, in France 10 per cent, in Denmark 12 per cent, in Britain 26 per cent, in Holland 8 per cent, but in Italy 56 per cent. To take another example, net public indebtedness in 1975 amounted in Italy to 11 per cent of the GNP, but to an average of 4·5 per cent for a total of 11 comparable industrialized countries (including the seven main ones). It should also be mentioned that, contrary to a view quite widely held among foreign observers, fiscal pressure in Italy is not actually lower than that in the other big industrialized democracies. Among the 17 main countries with a similar structure, Italy in 1975 occupied 12th place for fiscal pressure but 16th for per capita income. In Italy at that date taxation accounted for 34·8 per cent of the GNP, in the other 16 countries for 32·28 per cent. As compared with those other countries, Italy, with an income equal to 54·3 per cent of the average, had a fiscal pressure 7·6 per cent higher. But in relation to the level of the nine EEC countries (a more homogeneous comparison) Italy's fiscal pressure was three points below the average (34·87 per cent of the GNP, as against 37·87 per cent). Thus it was 7·9 per cent below the EEC average but had a per capita income about 40 per cent below it. Setting out from the principle of the progressiveness of taxation in relation to income (the basis of modern tax legislation), fiscal pressure in Italy today is higher than the EEC average. The structure of taxation in Italy is certainly unbalanced. Taxes on business and indirect taxes account for a share of revenue roughly similar to the average pertaining in OECD countries. But taxation on personal income is about three times lower, and a much higher share of revenue is accounted for by social contributions, which in Italy are paid almost entirely by the employer. The imbalances in the Italian fiscal system leave ample room for personal evasion and operate mainly to the detriment of the accumulation of resources.[5]

How does the public sector use the resources thus accumulated or, to be more exact, expropriated from families and business concerns? The level of Italian public expenditure, taken in relation to the GNP, might not in theory appear abnormal or excessive as compared with

[5] In this analysis of the Italian taxation system I have relied mainly on *La finanza pubblica. Stato. Amministrazioni autonome. Enti locali. Enti di previdenza (1969–1975)*, ed. by Mediobanca, with preface by Bruno Visentini (Milan, 1978). For the other data see Franco Reviglio, *Spesa pubblica e stagnazione dell' economia italiana* (Il Mulino, Bologna, 1977); and Guido Rey and Roberto Convenevole, "L'intervento dello Stato nelle economie europee," in *Governare l'economia europea. Divergenze e processi integrativi*, ed. by Gianni Bonvicini and Joseph Sassoon, (Fondazione Giovanni Agnelli, Turin, 1978). If data on savings absorbed by the public administration may seem to be in contradiction to those given in note 4, it should be remembered that the public administration is only a part of the public sector as considered in this article.

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that of the other EEC countries in recent years since the beginning of the crisis (in 1974, Italy 47·4 per cent, EEC average excluding Italy 48 per cent). This impression alters, however, when other facts are taken into consideration. The share of expenditure in deficit is abnormally high; and, as we have seen, no less excessive in relation to GNP is the indebtedness with which it is financed. While it is true that public expenditure in Italy increased less in the last two years of the period under consideration, it had nevertheless been higher than the EEC average for at least seven years up to 1973, and higher than that of all the individual EEC countries except Holland. In particular, however, its distribution according to destination became deeply distorted from the end of the 1960s onwards, whereas in the other countries there was practically no trace of anything of the kind. This distortion has come about chiefly through the higher rate of current expenditures as compared with that of investments. Current expenditure absorbed 31·3 per cent of the GNP in 1970, 39·1 per cent in 1975, amounting in both years to 82·5 per cent of total public expenditure. Fixed gross investments effected in the public sector, on the other hand, absorbed on an average 3·1 per cent of GNP in the whole five-year period, as against an EEC (including Italy) average of 4 per cent: in Italy they represented 7 per cent of total investments, in the other countries an average of 14 per cent. Thus the Italian public sector, which signifies the state in all its ramifications, becomes increasingly important and runs into debt (or subtracts resources from the private sector) in order to spend, not to invest. Even its net indebtedness goes to an increasing extent to meet current expenses—39·2 per cent in 1970, 53·6 per cent in 1975. Now, we know that in all the industrial democracies in the 1970s public expenditure increasingly took on the function of keeping afloat the social state, protecting an ever-growing number of people from the oscillations and uncertainties to which incomes are exposed by the vicissitudes of national and world economies. Because of this, current expenditure has increased everywhere and investments have stagnated; and within current expenditure there has been an increase in the transfer of income to private persons as compared with public consumption. But despite this evolution, in the other countries either the share of public investment or that of public consumption or, in most cases, both, remained considerably higher than in Italy. This enabled governments in other countries to introduce some steps to modify or control the still existing crisis of the social state—such as rationalization of services, technical innovations, savings, etc. In Italy, on the other hand, given the low rate of investment, the public sector, even had it exercised greater foresight, was not in a position to make an appreciable contribution to the planning of production and supply. Moreover, given the low level of public consumption (the lowest in the EEC), it is also not in a position to make a visible contribution to plan-

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ning of consumption and demand.[6] Thus the predominant, indeed essential, function of state control of the economy in Italy has become that of administering an enormous flow of transfers of income and managing a vast policy of redistribution. How, why, and to whose advantage does this operate?

After examination of the individual budgets of all the various bodies mentioned above as composing the public sector, the fact at once emerges that, except for the regions, they all show a deficit. In many cases those deficits existed from as far back as the 1960s and gradually increased during the 1970s (e.g. in the central administration organizations, the provinces, communes and other local bodies, autonomous companies, hospitals, municipal concerns, port authorities). In all the other cases the deficits appeared in 1971 or 1972, but then they often increased even more quickly (the state itself, insurance organizations, ENEL). In any case, the total deficit in the public sector in 1971–75 was attributable as to 39·9 per cent to the state and other central administration organizations, as to 3·4 per cent to insurance companies, 14·5 per cent to local organizations, 24·5 per cent to autonomous companies, 8·6 per cent to hospitals, 2·5 per cent to municipal concerns, and 5·9 per cent to ENEL. As can be seen, side by side with the state and other subjects of *political* expenditure, many organizations with a business structure also became conspicuous and permanent deficit-producers—organizations charging rates or prices which should (or could) produce profits. This has come about largely owing to increases in personnel, inefficiency in the use of productive factors (first and foremost personnel), and failure to adjust rates to the rise in prices. Between 1970 and 1977, personnel of the autonomous concerns rose by 20·5 per cent, that of the municipalities by 37·8 per cent, and of ENEL by 8·6 per cent. In the same period average wages also rose: in 1975 they accounted for 54·4 per cent of current expenditure in the autonomous concerns, 57·1 per cent in municipalities, 87·3 per cent in port authorities and 35 per cent in ENEL. But at the same time the use made of personnel was subjected to increasingly rigid, complicated and uneconomic restrictions. On the other hand the rates charged remained the same over long periods. Italian electricity and gas charges provide what is probably the only case in Europe of a public service where the price remained the same from 1959 up to the second half of the 1970s. The following figures for 1975 show by how many times running costs exceeded production in the main sectors: railways, 2·15; posts, 1·96; ENEL, 2·6; telephones, 0·78; urban transport in 14 main towns, 4·89; gas and water in four main towns, 1·67. Both the incidence of labour costs and the rigidity of income are the effect of definite political choices. At both state and local levels low

[6] All the above data are taken from the sources cited in note 5. For some comments see also Giuliano Amato, "La politica della spesa e la politica fiscale come strumenti di consenso in Europa," in *Governare l'economia europea*, op. cit.

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tariffs unrelated to costs are regularly regarded as an essential feature of social policy. As to restrictions in the use of labour, these were desired by the trade unions, but at local level were never disputed by the administration, in most cases because politically it regarded itself as being not the opposite number of the unions but their ally. Much the same thing happened in labour contract negotiations in the various sectors at the national level. A typical case is that of the electricity corporation, ENEL, which from 1963 onwards has always been in the forefront with regard to wages: five of the seven labour agreements it has concluded up to now with the unions were imposed at ministerial level for political reasons because the government feared that a clash with the unions might result in paralysis of services.

I HAVE spent some time in discussing these bodies, although they account for only a third of the public sector's total deficit, because it is easier to isolate in them—over and above the losses inherent in a public service—the economic, organizational and functional distortions which are the main cause of waste and deficits, in short of the deplorable use of national resources that characterizes the public sector as a whole. Personnel has increased in every branch. The number of civil servants rose from 2,734,000 in 1970 to 3,558,000 in 1977 (i.e. by 30 per cent): or from 21·3 to 24·8 per cent of all dependent workers, and from 14·6 to 17·7 per cent of the total employed. But the increase has not been uniform or visibly related to efficiency. Sometimes it has been contained, sometimes enormous. This was the case in the hospital services (+ 63 per cent), which in the meantime have come near to paralysis and collapse, in education (57·7 per cent), which has nevertheless declined dramatically in quality, and in the regions (+ 87·4 per cent from 1973 to 1977 alone), which came into being to counteract the inefficiency and delays of bureaucratic centralization, but whose balanced budgets—unlike those of all the other branches of the public sector—are due not to sound administration but to their so-called passive balances, in other words to their technical inability to spend even the sums assigned to them by the state and budgeted for. The increase in communal employees is also quite considerable (20 per cent between 1973 and 1977). And the system of payment is uneven. Wages and salaries in public administration are in general low (except for the regions, where, among other things, they rise in inverse proportion to the per capita income produced in the region), and do not absorb a disproportionate amount of current expenses. In addition, owing to insufficient index-linking, they have depreciated, with the result that the considerable increase in personnel has brought about a merely irrelevant growth in the share they represent in relation to the GNP. Hospital workers have exercised stronger pressure and have managed to bring wages up to 67·5 per cent of their organizations' current expenditure. The increased incidence of total public wages and

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salaries on the GNP (rising from 14·5 to 16·2 per cent) is due mainly to them and to workers in the municipalities, the autonomous organizations, and ENEL.

But in those cases, as in all other branches of the public sector, the real problem of labour costs does not lie, except in a few abnormal situations, in an excessive wage rate. It lies, rather, in the generally prevalent and serious phenomenon referred to earlier in relation to the autonomous concerns, the municipalities, and ENEL: in other words, the incredible excess of personnel, the irrational use of personnel and the no less incredible number of useless functions attributed to them to justify their presence. For 10 years, all the branches of the public sector, but especially, of course, those most highly politicized, have indiscriminately taken on personnel, virtually abolishing any qualitative selection, with the aim—often openly proclaimed by important economic or political personalities—of giving employment to workers who could not find jobs in industry and of providing an alternative to the shortcomings of the private sector. The communes, provinces, regions, other local organizations, municipalities, hospitals, etc. have advanced along this road, accumulating deficits which then either fell upon the state, to be met by internal transfers of funds, or were countered by contracting debts to the Banks. It should also be noted that in those same years considerable and costly technical labour-saving innovations were introduced in many branches of the public administration and in the public sector in general. Computerization in the public services, for instance, is not, I believe, more backward in Italy than in other European countries. "Nevertheless," as a former Finance Minister familiar with this problem has observed, "even in cases where considerable investments have been made (the telephone service, ENEL, etc.) the organizations concerned have not been able to reap benefits from reduction of costs as a result of modernization, because labour costs have increased. The incidence of these costs is due not so much to direct wage increases as to the indirect burdens resulting from the presence of excess workers and from their behaviour-patterns (absenteeism, refusal to change jobs, go-slow) which effectively diminish the factories' productive capacity." [7] Needless to say, trade-union practices on the one hand, and fear, laxity, ineptitude or complicity on the part of the controlling administrations on the other, are the real factors responsible for this state of affairs.

The expenditure resulting from this kind of management has come about, in particular, in administrations where political practice, or custom developing over the past 10–12 years, has guaranteed *immunity* (in, I might almost say, the feudal sense of the term) from any kind of financial or regulatory sanction to punish or prevent the continuance of this method of administration. The state pays up when it is called upon to make up the losses, or it peacefully allows the organiza-

[7] *La finanza pubblica*, op. cit. p. 210.

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tions to contract debts where legally possible. On the other hand, in homage to the principle of autonomy, decisions on expenditure are as far as possible decentralized. Dividing expenditure into the three main decision-making levels, we find that whereas in 1969 the share of the central administration was 54 per cent, that of the insurance organizations 27 per cent, and that of the local bodies (communes, provinces, regions, etc.) 9 per cent, in 1980 those shares were, respectively, 40 (of which 20 were for the state alone), 30 and 30 per cent. In the absence of autonomous provisions for their enforcement, these decentralized decisions resulted in easy expenditure, in effect free of any controlling authority or need to balance the budget. This is even more true of the health sector. After it came under the regions, the hospitals became uncontrolled centres of expenditure, with financing in each case guaranteed *carte blanche* by the authority responsible. The whole system of expenditure described here has been well summed up by the ex-Minister quoted earlier. " Personnel is taken on irrespective of real needs, assistants' hours of work (in some cases reduced to 2 or 3 hours) are in many cases completely independent of any rule and of the payment given, social needs are artificially created and satisfied independently of real needs, expenditures bear no relation to the value of the service rendered or to compatibility with the possibilities of the productive system and the general economic balance, and even highly important decisions are taken without consideration of their long-term effects. . . . The result is a fragmentation between the state (and between its various administrative sectors), the para-state and the public organizations—a fragmentation that recalls the feudal regime." This was also " characterized by a complex of protected situations, deriving in origin not only from relations of strength between groups but also from the functions which the individual groups exercised in a society which lacked a common connecting texture making for automatic balances." [8] The picture would not be complete without some mention of the insurance system. It distributes a share of the GNP which rose from a fifth in 1969 to more than a quarter in 1975, while per capita benefits in the same period increased three times more than the GNP itself. The number of persons receiving benefits under this system rose by 38·3 per cent in that period (more than two-thirds being for sickness benefit), bringing their total up from 42·8 to 57·8 per cent of workers. These increases came about through trade-union and political pressure, and the politicians made preferential use of them as an instrument of control over society. And, naturally, the resulting deficits (20,000 milliard lire in the period under review) were met by financial transfers from the state. But the state itself and various other organizations also have their own benefits systems. For the economy as a whole, the number of persons in receipt of benefits rose from 11·1 million out of 18·8 million employed in 1968 to 16·3 million out of 19

[8] Bruno Visentini, Preface to *La finanza pubblica*, op. cit. pp. xviii–xix.

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million employed in 1975. In the whole period, 23 further benefits were created for each newly employed person.

IT is now possible to understand the full meaning of the statement that the essential economic function of the public administration in Italy has increasingly become the transfer of income. In 1970 it transferred 17·7 per cent of the GNP, in 1975 the figure was 22 per cent as against an average of 15·5 per cent in the OECD countries, 10·5 per cent in the USA, 13·8 per cent in Britain, and 16·1 per cent in Germany. That figure does not include capital transfers made to state-controlled companies. But the major part of all these transfers was to the benefit of families, not companies—this is the case in all countries, but in Italy to an extent (about 80 per cent) which has been denounced by many critics as a symptom of the public administration's inability to plan demand in any way. This is not, however, the point I consider essential to emphasize in concluding this analysis. That point is that, given the direction which *all* public expenditure has assumed in Italy, transfers to companies themselves are not, and cannot be, a contribution to a healthy, balanced and sustained economic growth. As we have seen when examining some characteristics of the state-controlled companies, "political" financings are only a shield which can keep ailing concerns going indefinitely, and preserve disastrous managements and trade unions from coming to grips with market realities and the limitations of national resources. The same can be said, in such situations, of indebtedness. The fact that it enables firms to invest in technical plant which will last and which might have a better economic use cannot blind us to the truth that it, too, has a perverse and anti-economic function. The fact of offering public services at an uneconomic price cannot provide an alibi for the firms who do this to conceal that a part of the resources they are using are merely a gift, not an income they have earned. Justified by the aim of bringing about fair distribution, promoting a better use of resources than do the private companies, remedying local inequalities and attenuating social conflicts, the gigantic growth of the economy's public sector has become a formidable and active factor of unfair distribution, misuse and destruction of the national savings, economic imbalance of every kind, and bestial conflict between the various sections of Italian society. Instead of being a factor for coordination, unification, government, and farsightedness, *étatisme* can be seen in Italy today as the main cause of the ungovernability of the Italian state.

ALTHOUGH the manifestations described above have many points in common with the crisis which the social state is undergoing in all industrial democracies, there can be no doubt that in many respects they differ from them profoundly. Their extent and gravity depend on the specific nature of the factors that have produced and

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sustained them. I believe the first of these factors is the presence of the strongest Communist Party operating in a free country. The revisionist image which it has succeeded in presenting in recent years should not cause us to forget that its continued aim is the complete overthrow of capitalism and the market economy, and the establishment of an economy which will be, if not entirely state-controlled, certainly highly centralized in every sense. The fact that the Italian Communist Party is not a small sectarian minority without influence but a large mass party rooted in practically all classes of society explains how that aim has been able to exercise a profound influence on the development of the country's economy. All the forms of class struggle that have arisen in the past 12 years have in fact tended in Italy to gravitate, whether consciously or unconsciously, towards the fulfilment of that aim. Consider, for instance, certain characteristics of trade unionism in Italy. The CGIL (*Confederazione Generale Italiana del Lavoro*), which is the strongest union, dominated by the communists, includes the majority of workers precisely in those regions where the Communist Party has the highest percentage of votes and the highest ratio between the number of registered members and the number of votes, in other words, where the figures show the strongest degree of social impact. Those regions also have the highest rate of trade-union membership, including membership of the non-communist unions as well. Given the subordinate character of those latter unions, all this means that trade-union action in the long run has been closely linked to communist strategy. To understand that link it must be borne in mind that every single one of the manifestations described earlier was the result of trade-union action or pressure in some shape or form. The unions paralysed the mobility of the productive factors in the social and factory organization of work, pressed for taking on uneconomic personnel in the various branches of the public sector, aggressively defended disastrous factory situations, urged the adoption of bureaucratic and social rather than entrepreneurial criteria in the management of large sectors of the national economy, advocated political prices for a disproportionate number of services in order to establish a hold over some particular category, favoured misguided decisions by managements, stimulated the ill-advised growth of public expenditure, and so on.

BUT Communist Party pressure alone does not suffice to explain the spread of *étatisme* in Italy. There is another factor: the degeneration of Christian Democracy, which is still the majority party and which during this decade of crisis has continued to hold almost all the levers of state power in its hands. The Christian Democrats too have come to regard the extension of the public sector of the economy and the increased interference of the state in economic affairs as essential instruments to justify their own central and "irreplaceable" posi-

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tion in the political system and to maintain control over the gigantic processes of social transformation which threatened the traditional bases of their power. Consequently they have never seriously opposed the trends described above. They have always tried to turn them to their own temporary advantage and have often indirectly encouraged them. It is one of the paradoxes of recent Italian history that the legislation which has given rise to many of the phenomena described in this article has been approved by Parliament as a result of disguised but none the less substantial convergences between the Christian Democrats and the Communists. By adopting certain measures, the Christian Democrats thought to provide themselves with new instruments of support and patronage. The Communists called for or favoured such measures because they, too, quite rightly saw them as preparing essential instruments for the political and bureaucratic control, from above but also from below, of the whole economy, and as a means of allocating the resources it produced in the way best calculated to justify and maintain an apparatus designed for the exercise of such control. They realised that these measures tended towards setting up a system closely conforming to their ideological vocation and their vision of the economy and of development: a system which for the time being was in the hands of others, but which one day they would be able to make their own, and over whose operation they could in the meantime exercise far greater influence than over the innumerable autonomous decision-making centres of a market economy. That the result of this *étatiste* convergence has been greater disharmony, anarchy and ungovernability of the whole economy (one needs only to recall the dimensions of the so-called "unofficial" economy) is a paradox only in appearance. First and foremost, Italy finds itself today in a typical situation of power dualism. And then one would have to be hypnotised by definitions to believe that *étatisme* must signify, at least, real ability to control, co-ordinate, organize and govern a complex and difficult reality. In the third century the civil society of the Roman Empire was humiliated, oppressed and exploited by an unprecedented *étatisme*; but the force that operated the state was nothing but a lawless military anarchy.

Specifically Italian characteristics do explain many things. But they do not suffice to answer the question (or doubt) that I put forward at the beginning of this article: is Italy a case on its own, or is it an extreme case of processes operating to a greater or lesser degree in all the industrial democracies? If it is the latter, the Communist Party, Christian Democracy etc. would be both unrepeatable peculiarities but also indigenous incarnations of evils latent in many others of those countries. Only the facts can give an answer. The situation towards which the industrial democracies are moving does not, unfortunately, leave much time for doubt.

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The Political Crisis of the Italian State

Gino Bianco

FOR several years in Italy a redefinition of the role of the state has been felt to be necessary in view of the permanent crisis of the political system.

A recurrent theme in neo-liberalism is the non-governability of modern industrial society, characterized by a neo-corporativism which increasingly reduces the state to administrative functions and passive mediation. Its impotence derives essentially from a radical crisis in the parliamentary democracies which have degenerated into an unprincipled bargaining in order to satisfy rival organized groups, although in the long run these can never be appeased as their demands are irreconcilable. As a reaction to the expansion and interference of the state and to the ideologies that provide a sort of "rationalization," economic theories (such as Keynesianism) and juridical doctrines, accepted to a greater or lesser degree throughout the Western world for the last 30 years, have begun to be challenged.

Italy is not the only country that has felt the explosion of the fiscal crisis, the unprecedented expansion of public spending leading in turn to a frightening inflation and the erosion of private savings provoked by the increasing debt of public finances. Nor is it the only country where successive governments instead of making sufficient use of what Hayek calls the "market signs" and "the rule of law" have continued to have recourse to arbitrary legislative acts which are either discriminatory or based on the discretional power of politicians and of the bureaucracy. The gigantic growth of the public economy has almost everywhere been a factor of permanent economic distortion, a cause of waste and of bad use of resources. Common to contemporary industrial democracies there has been the growing bureaucratic machinery, the encouragement of artificially created social needs, the erosion of productivity and of efficient economic management to the advantage of the parasitic sectors.

BUT in this general "malaise" the Italian case is undoubtedly an extreme one, as the endemic political and institutional crisis, the widespread corruption, the terrorism and urban guerilla warfare have dramatically emphasized. With terrorism, an experience that is shaking the Republic and might even foreshadow its waning, the country's ancient and recent ills and contradictions are coming to light—all the inadequacies for which a whole leading class bears responsibility. The country's rapid transformation from a predominantly agricultural to a highly industrialized society has created

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enormous economic distortions and profound social changes. The flight from the land, huge shifts of population from the South to the North and from all country districts to the towns, have made millions of people rootless whilst offering no compensating security in exchange.

Terrorism has exploded against the background of a crisis of moral values and religious beliefs, of the misgovernment of the country for more than 35 years, of badly needed social and institutional reforms, of the lack of a political alternative and of a widespread system of major and minor injustices. The student revolts of 1968 had behind them a tradition of anarchic revolts in the countryside and of revolutionary and trade-union protest among the workers in the big factories of the North. The new lines adopted by the Church encouraged the secularization of the Christian message in a whole new generation of Catholics, impatient to create the "Kingdom of God" here and now. For years, the left and in particular the Communist Party, had preached revolution, exalting a permanent state of conflict and the creation of subversive powers to counter real or supposed fascist threats (the so-called strategy of tension).

Italy is, moreover, the only country where over a long period an ideology—Marxism-Leninism—has been fostered which is based on the hypothesis that it is possible to gain power by violence, extinguish the state, eliminate social conflicts and create socialism. Is it surprising that thousands of young people have believed in this creed and have been ready to expose themselves to danger in its name? Cases of collusion between organized crime and political terrorism, of infiltration of the Mafia and the secret services (foreign and Italian), and the radical-chic hedonism of the middle class should not make us forget that there have also been young people, who, sick of talk of reforms never implemented or of a revolution that never happened, have taken it upon themselves to try to bring about change.

WHILE the country moves towards becoming a society in ever greater need of control and increasingly uncontrollable, "progressive" philosophers in law and acrobats in dialectics excel in interminable academic discussions which obscure the real problems and conceal their own intellectual and moral responsibilities for the plight of society and its institutions. While irrelevant to the present crisis of the Italian state, the debate conducted in the pages of *Critica Marxista*, *Rinascita* and *Mondo Operaio* nevertheless had the merit (especially in the contributions from Norberto Bobbio, who with great clarity raised the question of the relationship between freedom and socialism) of bringing out the crisis of Marxist culture and the lack of a convincing and organic doctrine concerning the forms and institutions in which socialist democracy should be realized.

But the debate showed that despite their advocacy of "pluralism," the communist intellectuals cannot manage to conceal the totalitarian

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substratum underlying their thinking. Whether it is a question of "direct democracy," of confused indications about the "socialization of power" (Umberto Cerrone) or about "associative and mass democracy" (Pietro Ingrao), a conception emerges of the primacy of the politician which invariably presupposes the primacy of the party.[1]

For 30 years, the parties of the historical left had radicalized political struggle and social conflicts, and manipulated the aspirations for dignity and justice of a highly civilized working class by means of "governmental combinations." What were their reactions to the explosion of terrorism? The "historic compromise" (the agreement reached between the Communists and the Christian Democrats) and "governability," in other words, they reacted with yet another "governmental combination." But since the kidnapping and murder of Aldo Moro the actual country has been sinking further and further into a nightmare atmosphere, dominated as in a Sciascia novel by political intrigues and by the feeling that each terrorist group has its moles among the top levels of government and the state. In this context, one can really believe, as *The New York Times* has said, that "the head of the secret service and the minister of justice really may be accountable to the leader of a secret Masonic Lodge; the banker may really be the man of the Vatican; the professor is secretly a terrorist, while the Judge belongs to the Mafia." It even becomes credible that—as in fact has happened—the Mafia should intervene as mediator, eager to demonstrate its "patriotism" and the weakness of the state, but ready to strike a death-blow the minute anyone gets on to the murky "truths."

INDEED, the Italian state is a bizarre kind of state. It is not a totalitarian state but neither is it a constitutional representative state. There is an almost total impotence about the Italian state which derives both from the inability of its constitutional bodies to provide any effective guide and from the inefficiency of its administrative structure. It has all the defects of the Welfare State without its merits. It has an enormous public sector (more than 50 per cent of the whole economy), but it is in such disarray that it is unable either to plan an overall economic policy or even to deploy the traditional fiscal and monetary instruments. There is no effective control over taxation, wage settlements and public spending; the lack of any connection between the state revenue and expenditure is bound to undermine the effectiveness of economic policy. Within Italy's public sector the government has been pouring thousands of billions of lira into lame-duck industries with no guarantee of their return to international competitiveness. There are no minimum standards or cash limits for controlling the expenditure of the local authorities, whose appalling

[1] See "Il Marxismo e lo Stato," nuova serie dei quaderni di *Mondo Operaio*, 1976.

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deficits are the result either of precise economic choice aimed to expand the so-called social demand, or of inefficiencies and assistentialist policies. In order to evaluate the extent of the absurdities of the present situation one has to consider that there are 12 and a half million people receiving state benefits out of a total labour force of 21 million, a ratio of less than two workers for every beneficiary. Worse still: five million (42 per cent of the total) are pensions of bogus validity. Over the last 30 years the various governments have produced a public deficit of 40 billion dollars. No government has succeeded in persuading Italy's parties and trade unions to back legislation against the wage indexation system (*la scala mobile*) or to take action in favour of limiting strikes affecting public services. Yet paradoxically, in many respects the Italian economy is the most dynamic in Europe. Over the past two years it has grown by 10 per cent in real terms, faster than the economy of any other country in the OECD except Japan. Furthermore, investment in new equipment over these two years has been an impressive 30 per cent. Speaking of some parliamentary democracies which are far more stable and stronger than that of Italy, F. A. Hayek has noted that in the contemporary world they are forced:

> to bring together and keep together a majority by satisfying the demands of a multitude of special interests, each of which will consent to the special benefits granted to the other groups only at the price of their special interests being equally considered. Such a bargaining democracy has nothing to do with the conceptions which are used to justify the principle of democracy. The result of this development was not merely that government was no longer under the law... but dispensing gratuities at the expense of somebody else who cannot be readily identified became the most attractive way of buying majority support. But a parliament or government which becomes a charitable institution thereby becomes exposed to irresistible blackmail.[2]

It is not surprising that in the jungle of an Italian society shaken by deep social and economic changes, an oligarchy of professional politicians, largely corrupted and discredited, whose only reputation (whether in power or in opposition) and achievements have been in the art of surviving by means of party and political manipulation, should have become accustomed to the art of blackmail. Italian society, however, is undergoing a process of secularization (a big majority, nearly two to one, voted in favour of retaining, despite the opposition of the Catholic Church, legal abortion in the referendum held in May 1981) and modernization, and the gap between the practices and values of government and political parties and those of the public grows steadily wider.

The causes of such institutional weakness can, of course, be

[2] F. A. Hayek, "The Miscarriage of the Democratic Ideal," *Encounter*, March 1978.

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attributed in part to historical factors such as foreign domination, the late formation of a unified state, the power of the Church and to the presence of a strong Communist Party. But even more it is the result of a hybrid process in which numerous factors have played their role : the centralist (based on the Napoleonic model) structure of the state; the innovations brought about by the post-war political party structure whose only legitimacy was the CLN (*Comitato di Liberazione Nazionale*) established in the resistance period and supported by the Allies during the Second World War; an unrestrained process in which the state, the local authorities and the public bodies have been used for political patronage and for private purposes at all levels both in their external functions in dealing with society at large and in their internal organization and structure.

The political parties and the Christian Democrats in particular, with the complicity of the three main trade unions (which in Italy are the instruments of the respective parties from which they derive their main support) have gained control of the existing administration and of the new public agencies which have gradually been created. In the appointment and promotion of personnel, party loyalty has been the prevailing criterion both in the state administration and in the local authorities, as well as in a large part of the public enterprises. The communists, outside the government but playing a significant role within the state, and themselves in power in many local authorities, have adopted the same criterion (the so-called *lottizzazione*, or spoils system). In addition to this, in the regulations governing public investments, the laws giving financial incentives to industries and agriculture, the government has allocated sums of money for the broad objective of development but their actual use has been kept concealed with no accountability made at administrative level, in order to favour certain social groups and sections.

Similar mechanisms have been employed in the so-called parallel (i.e. under state auspices) administrations INA-CASA, *Cassa del Mezzogiorno*, etc.) for special projects, in the numerous para-state bodies which in Italy have come to be called the realm of "*Sotto-governo.*" A leading expert, Giuliano Amato, has shown at great length how in this *modus operandi* the entire system of regulations (administrative laws, rules, decrees) is concentrated in a network of links—not explicitly laid down—between extra-parliamentary interest groups, government, political parties and civil servants. The most important factor in this system is the relationship between the politicians and the bureaucracy.[3]

ALTHOUGH for many years students and observers have emphasized that in the Italian political system real power rests with the parties rather than with the government or parliament, proposals

[3] G. Amato, "Riforma dello Stato e alternativa della sinistra," *Mondo Operaio*, July-Aug. 1977.

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aiming to confine parliamentary immunity to areas affecting the freedom of speech or the right of parliamentarians to investigate have not been implemented. Neither have proposals to introduce preliminary control by the special administrative jury (*corte dei conti*) on the rules and legislative acts of the administration (a measure deeply resented by the bureaucrats who prefer their present irresponsibility and who do not want to be accountable for their decisions). According to G. Marinini:

> The political parties are . . . states within the state, engaged in an unrestrained struggle for the conquest of total power and for the monopolistic subjection of the state.[4]

And G. Sartori went further:

> These and other considerations lead to scepticism about the powers of survival of the system, destined to struggle along as best it can and perhaps to seek salvation in the Catholic-Communist " great embrace." [5]

The political consensus has been organized through the creation of a new public entrepreneurial class, encouraging " parasitical income " and the retributive jungle. The network of parasites and privileges induces inefficiency, corruption and scandals. With a mixture of Keynesianism and evangelical pauperism, of populism and constitutionalism, and of personalized solidarity and socialist anti-capitalism, the regime extends intervention by the state and the parties into every sector of economic and social life and prompts the infiltration of the traditional bureaucracy and the para-state organizations, the financial sector (from the credit institutions to the banks and savings banks), and the great state holdings, the *Cassa del Mezzogiorno*, ENI, IRI, EGAM, EFIM, down to the 65,000 agencies (1 per 1,000 inhabitants) in which the country rejoices. There is more than a grain of truth in Scalfari's comment that Italy has

> the most gigantic client structure that Europe has seen from '89 onwards. The budget expenditure and deficit figures have for the past ten years furthered the advance of a greedy and corrupt state bourgeoisie, the draining of the economically healthy area of the country, the decline in productive investments. . . . Upon this mountain of debts a huge national *camorra* prospers, embedded in the agencies, in the communes' social organizations, the hospitals, the charitable societies, the failing industries, in short in the para-state.[6]

The communists and the socialists now put the responsibility for the state's continued ineffectiveness on to the Christian Democrats, but they forget their own responsibility. The level of integration and legitimization of the Communist Party in the present power system is

[4] G. Marinini; *Storia del potere in Italia* (1967).
[5] G. Sartori, *Rivisitando il pluralismo polarizzato* (1973).
[6] *L'Espresso*, 18 Aug. 1974.

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very considerable, and numerous investigations into the legislative process have shown that in parliament, the relations between the communists and the majority "have always been conducted in a spirit of bargaining and in some respects of compromise." The great majority of the laws and decrees passed have secured the approval of the communists. The late Ugo La Malfa recalled that:

> Anyone who has followed the activities of parliament over many years knows that the public and semi-public parasitic and unproductive structures have been the joint work of the Christian Democrats, socialists and communists and their trade union followers. The regions have been superimposed on the provinces (which should have been abolished) by the wish of the three major parties. In the same way they carried out the regionalization and the municipalization of many firms, the creation of public agencies with growing financial deficits, and the disproportionate growth of many bureaucratic offices. They have also extended disablement pensions to people who are not invalids, and so on. The examples were endless. In the list of these abuses, none of the three major parties can cast the first stone and say that it is free from blame even if today they try to do so.[7]

While the economic recession impinges on the weak state sector, Italy's para-state lame ducks continue to produce some heavy losses. Results from IRI and its operating companies have gone from bad to worse. Last year's consolidated deficit is estimated to have been nearly 2,200 billion lire. Moreover, the results of the economic activities of most of the totally or partly state-owned companies are more than enough to frighten off all but the most foolhardy prospective private shareholders. Only 20 such companies are quoted on the stock exchange, of which only eight are generating any profits or dividends. Yet because of the state industry's mammoth proportions and the massive political interests at stake no decision regarding the future structure of the public sector has been taken. According to a recent survey in the *Economist*[8] these huge inefficient state industries and their bloated bureaucracy gobble up enormous amounts of cash which is provided by taxes on workers and companies in the most dynamic sector of small and medium enterprises existing anywhere in Europe.

In the United States the public sector accounts for 30 per cent of the GNP; in Italy for 50 per cent. But it is not the proportions that really matter. In West Germany public expenditure has exceeded half the GNP without causing widespread alarm. If in Italy so much bitterness has accumulated about the financial management of public expenditure this is due to the fact that the taxes levied by the state are comparable with those in other European countries, but are not compensated for by the standard of services provided (education, health care, unemployment benefits, etc.). The extraction of resources

[7] Ugo La Malfa, *La Caporetto economica* (1974).
[8] "Italy Faces the Facts," *Economist*, 23–29 May 1981.

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serves largely to enable the political parties and the parliament to feed their competition for votes by distributing benefits and favours. One of the reasons why in Italy there is a very extensive and vital "black" economy is the fact that certain taxes (such as social insurance contributions) are very heavy, thus encouraging the submerged economy. Furthermore, the gigantic size of this phenomenon reveals that we are dealing (as in the case of the so-called parallel economy in the totalitarian communist countries) with a massive response to the bureaucratic rigidities and distortions of the political and institutional system. The submerged economy, in short, is another example of the spectacular resilience of the Italian people in adjusting to historical circumstances.

With public expenditure out of control, even heavy fiscal pressure is never adequate and the government has to print money to meet the deficit. Not surprisingly, the governor of Italy's Central Bank when introducing the Bank's 1980 annual report strongly attacked the economic policies of all governments, past and present, and called for a tighter control of government borrowing, for wage restraint and for the independence of the Bank from the Treasury. This last claim implies an institutional change and means in practice that in order to check inflation the Central Bank should not be obliged to buy up Treasury bills which the Treasury has failed to sell to the public. On the contrary, the Government, according to him, should tailor its public spending to the needs of monetary policy and take a firmer role in the national wage negotiations.

PARADOXICALLY, in spite of its suffocating and cumbersome ubiquity, it seems that the Italian state does not in fact exist at all. This degeneration in the administration goes, of course, a long way back. But if some of the reasons for it are of long standing, in the past 30 years Italian politicians have done much to aggravate them. It is a melancholy thought that under Fascism the bureaucracy was more efficient and there was also an improvement in the technical services of the administration. Today, the administrative structure does not correspond to the needs of society. There is no adequate planning of services, and a large part of the enormous sums allocated to administration are absorbed by personnel (there are 4·5 million civil servants in the state administration alone). In addition, the rigid structure of the civil service, the guarantee of work with security for life and internal immobility have nourished absenteeism.[9] There is a general view at all levels that sees a job in the administration not as service for the collectivity as a whole but as a privileged means of moving up the social ladder.

Entangled in the administrative quagmire, Italian political power has bypassed and neutralized the constitutional "checks" and has

[9] According to Severo Giannini's report on the Italian Administration, issued by the *Ministro per la Reforma della Stato* (Rome, 1980) civil servants work on average two hours a day.

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managed to impose a State-regime. Now, of course, the regime is in a crisis because gradually interest groups have multiplied and overlap in such a way that the pay-off of one implies the resentment of another. Moreover, the interest groups increase within the institutional-political system: the factions within the parties, the top bureaucrats, the barons of the state enterprises are all competing with one another and all contribute to new conflicts. In the absence of a central political authority they themselves become causes of paralysis in the decision-making process.

The reduction of politics to mere matters of business and administration and to bargaining about specific advantages for special interest groups has brought about total irresponsibility and a bitter struggle between different and powerful vested interests. These interest groups are themselves irresponsible both in their prevarications and when they are committing abuses and illegalities on behalf of their political friends in the parties and in government. Such was the case in the Lockheed scandal, in the Sindona and Italclass affairs, and in the oil contract between the Italian State Oil Company (ENI) and Saudi Arabia in which £57 million was to be skimmed off the top and paid to a number of senior Italian politicians, or in the cover-up of a multi-million tax fraud in which, over a period, huge quantities of petrol were taxed at the lower, heating-oil rate and the difference was distributed among hundreds of civil servants, politicians and salesmen all over Italy—to name only a few amongst the various scandals recently exposed.

Big and small politico-financial webs, quite beyond the control of the state, are at work. In this respect the Italian state is an extreme example of the system of clans and competing, yet sometimes overlapping, interest groups which really determine the country's political and financial affairs. Even the secret services, with ramifications in the twilight world of political extremism and financial corruption, and the magistrates (divided between left-wing, moderate and right-wing judges) have been drawn into the fray. Of course, traditional corruption, the old and new Mafia, and the notorious "*particolare guicciardiniano*" (that characteristic brand of Italian individualism) play their own part. But essentially this appalling state of affairs has been brought about by the pillage of the state, engineered by the political parties, the weaving together of business and politics, the assault on public funds by the paraphernalia of the public sector, by the inadequacies and incongruities (for which parliament is responsible) of a legislative framework that makes illegality "functional" and nourishes the discretional and abusive use of political power. Even the latest notorious scandal in a long series—that of the P2 Masonic lodge, an exclusive old-boy network which enabled members to carry on illegal activities with the connivance of the authorities—can be traced back to the disastrous crisis of the state and the continuing paralysis of an ossified political system.

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State and Society in Britain

Julius Gould

THE growth of state power and the relative strengths of the state and society are among the central concerns of political sociology. They are also a major focus of contemporary moral and political debate. For we are at some sort of intellectual and political watershed. Even in socialist circles (though with very varying undertones and qualifications) there is a sense that the power of state organs has increased and ought to be diminished. Of course there were strong states (and even stronger, more durable empires) in many continents before the present century. But it is only in this century that events, trends, ideas and historical accidents have combined to enhance the self-esteem and physical powers of governments and to place upon them the burdens of lavish expectations. This is a world-wide phenomenon, so that inchoate nations (or proto-nations) in Asia or Africa develop the panoply and aspirations once barely visible in the "advanced" areas of the world: they grasp the governmental symbols (or simulacra) of modernity and these include the symbols of centralized power and statism. No matter that they lack the infrastructure or the cultural traditions that could provide a basis for the experiments in modernity. They experiment none the less, even if, after an interval, the central power seems to become eroded by primordial ties at local or tribal level or if, through war, famine and plague, the modern structure becomes, so to say, miniaturized without disappearing, and survives in an attenuated form amid the surrounding chaos.

But it is in the advanced world that the growth and dilemmas of state power are most vigorously and openly canvassed. And this is as it should be, not least so far as British society is concerned. For over 80 years the perceptions and practices of the British state have been steadily transformed. There has been a revolution in scale that stands comparison with the middle-class reconstruction of the state in the first half of the nineteenth century. Many currents have contributed to that transformation. In Britain before 1914 Bismarck's welfare schemes were a model for innovative public policy. Neo-liberalism in the same early decades was one strand, too, that served as description and justification of state intervention—to relieve the asperities of a society based upon contract rather than status. It swam (sometimes in Christian forms, sometimes in positivist guise) into and out of a modified form of Hegelianism, a naturalized, sanitized Oxford view of Hegel's complex and mysterious texts. It was married, too, to the early scientism of the Webbs whose social, political and academic tentacles were so gripping and comprehensive. The neces-

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sities of two world wars helped to crystallize the practical deposit of these strains of thought: always it seemed there was in the wings a cadre of practical men, deeply rooted in the Whitehall machine and its attendant circles, who stood ready to do good to others in the name of the state and at the expense of the wealth creating sector of the economy. Well before Roosevelt, Keynes and the world depression, the Marxian view of a disappearing state was itself an evanescent one, and when the Webbs came to visit the USSR they neither saw nor expected to see a political order that was likely, let alone destined, to disappear.

IN the homeland of the Webbs the transformation of the state did not proceed on Marxist lines. It came about through the appeal of policies that entailed heavy and rising levels of public expenditure. Some of this was for the traditional state functions of defence and internal "law and order." But an increasing stream of public expenditure since 1945 has come through extensive "social" expenditure on health, education and welfare services. Such services are very labour-intensive and to them came to be added the vastly expanded numbers of those employed by central and local government. Another stream has come through interventions aiming to maintain "high and stable levels of employment" which, in practice, meant maintaining overmanned, outdated and uncompetitive industries both in the "private" and in the "nationalized" sectors of the economy. The backcloth to this story is provided by John Vaizey in his *Capitalism and Socialism*,[1] a most impressive, and compressed work of *haute vulgarisation*. If early socialism began as a cry of pain against nascent industrial capitalism it has become, over a century and a half, a justification for social engineering and one instrument, among others, of an attempted mitigation of "inequality." It has acquired, as Vaizey observes with some wry scepticism, a curious "special relationship" with economics and other social sciences. It is clear that the socialist case came in many quarters to acquire a wider force and a wider legitimacy and it did so in proportion to its retreat from the Utopian origins or totalitarian potential. It is a vexed question (and one on which Vaizey often comments opaquely) whether the outcome—an extensive, egalitarian public sector—is interchangeable with the "theory and practice" of a mixed or managerial economy. Certainly the acceptance (or legitimation) of "socialist" themes has transformed "socialism" itself no less than *it* has transformed "capitalism." There are, however, two paradoxes to which I feel Vaizey's excellent economic and historical account gives insufficient weight. First, modern socialist ideas (and their justification for an expanded state) were articulated by middle-class intellectuals, of whom in the 1950s and 1960s the late Anthony Crosland was the most fluent,

[1] Weidenfeld and Nicolson, 1980.

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distinguished and influential.[2] Secondly, non-socialist parties and their leaders in Britain from 1950 to 1974 seldom contemplated a reversal of the drive towards higher public expenditure. On the contrary, for electoral reasons or for technocratic purposes or out of a sense of guilt at their own "privilege" (or for all these motivations) they accepted what "socialists" had established, and even sought to embellish and improve what they accepted. They were caught in the "ratchet effect" whereby the centre moved steadily to the left.

THE pragmatic use of public expenditure as a means of extending state power is a central theme in Vaizey's book and he illustrates it with examples from many "mixed" economies. In some cases (e.g. France or Sweden) the element of economic planning (sometimes socialist, sometimes not) was more consistently present than was the case in Britain.

The strength of such pragmatism (and its seductive power over "conservatives") lay in its operation within technocratic forms and constitutional channels. Vaizey makes clear that "a democratic socialist . . . sees a choice between evils; he does not see a Utopia." This dictum is offered towards the end of his book where he puts stress on the commitment of democratic socialists to constitutional political practices and procedures. Even imperfect forms of representative government embody a guarantee of key liberties. Democratic socialists or social democrats[3] cease to be "democratic" if they decline to "defend institutions that, however imperfect, guarantee some sort of public order, some freedom from arbitrary arrest, some freedom from terror, and some hope of reform." This notion of allegiance to a constitutional regime is, of course, under steady and often remorseless attack. There is a constant motif in revolutionary thought (whether socialist or not) which regards such guarantees as a pallid substitute for what ought to be, as a "System" that is superficially a form of freedom but really a mask for basic oppression. Such attacks aim (or claim to aim) at the immediate removal of the imperfections that remain despite such formal guarantees. They offer a justification for revolutionary violence by alleging that all or most existing "Systems" are themselves expressions of repressive violence—to be uprooted come what may. *Fiat justitia socialistica, ruat caelum.* Vaizey notes that "To be a democrat . . . is to regard the possibility of revolution as something to be avoided at almost all costs." (The little word "almost" no doubt enrages the already "*enragés*," but a saving clause of this kind softens rather than weakens his admirable general statement on the matter.)

[2] *The Socialist Agenda: Crosland's Legacy,* edited by D. Lipsey and D. Leonard (Jonathan Cape, 1981) is a book of essays which is at once a memorial to his approach and an attempt to continue it by other means.

[3] I fear that Vaizey himself uses *both* formulations—the split that led to the Social Democratic Party came after his book appeared.

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Democratic socialists of the Crosland persuasion were keen to press rationality, involving the understanding of society, into the service of ideals, the kind of ideals to which socialists of all parties have been attracted, e.g. "a more prosperous, more equal and more just society." In retrospect it is piquant to recall how the Crosland period in British Labour politics was characterized by just such a belief in rational solutions to complex and political problems. For a devout socialist matters are confounded by the very changes in capitalism that have occurred within (and because of) the constitutional framework. Red-blooded socialism is about *power*—the dethronement of a clearly visible, detestable, and detested elite of exploiters. It is not about the minutiae of economic fine tuning or credit control, even where these exercises (thinly based upon contingent bodies of economic knowledge) are aligned with "rational" forms of social engineering to bring about social improvements for which a "consensual" agreement has supposedly been secured. To confuse socialism with economics does little service to either set of practices. Nor is there any clear relationship between socialism and other social sciences. Vaizey recognizes, for example, that the roots of the hated inequality are social as well as economic. If the family is the source of some basic inequalities (and if this truth is demonstrated by elaborate social research) how does the socialist, especially a democratic one, respond? Does he seek to undermine the family by democratic social engineering, including interference with the private provision of school education? Or does he recognize that, despite pockets of privilege to be ritually denounced, it is wise to let the social system retain the commitments to inequality that are persistently present in some of its parts? The findings of social science on such contentious matters are, when non-trivial, open to a number of conflicting interpretations. Which interpretation to apply is a matter of political judgment. There is a kind of insecure yet arrogant positivism in the pretended alliance between forms of socialism and forms of social science: the ends of public policy are never given by such findings, and it is a mark of insecurity on the part of a political movement (Right, Left or Centre) when it seeks to ground its preferences not in its own convictions but on the supposedly firm bedrock of social science.

To take another example: social science findings on trade unions, on restrictive, oligarchic and sometimes corrupt labour monopolies are not likely to appeal to those who, financially and sentimentally, are closely allied with trade unions. No amount of social research is a substitute for political will in this area and such political will has been deficient among conservatives as well as among all manner of socialists. No one concerned for constitutional and representative government has a right to be complacent about the trends that have been observed within the vastly expanded public sector unions in Great Britain. Such unions are, in Vaizey's words, part of "the bureaucratic power structure"—a fact of which democratic socialists

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have long been aware and on which they needed no sociologist to instruct them. Yet the phenomenon seldom attracted their reforming zeal. They have restrained themselves from exploiting such knowledge in the service either of economic efficiency or of constitutional democracy. So by 1981 civil service unions in Britain are so disrespectful of "civil politics" as to flirt very dangerously with the sabotage of public services, defying in the furtherance of wage disputes, the instructions of their elected employers. Social security clerks, again, have been known to denounce and defy specific regulations that they deem insufficiently "just," even when those regulations have been constitutionally promulgated in line with properly determined public policy. There have, *mutatis mutandis*, been similar phenomena in the "industrial" action by local government employees (in what Marxists call "the local state")—such employees seeking to override or defeat the instructions of their employers if they are asked to carry out a change in policy that *they* find politically distasteful.

Such defiance by *public* servants of the *constitutional* order provides a poor framework for the freedom of others. Those others, who are subjected to arbitrary loss or inconvenience, have little redress: they are not free to take their custom elsewhere if they are incommoded by a monopoly, whether "private" or, in this case, "public." Everyone's basic freedoms are imperilled if the constitutional order is treated with contempt: for one contempt can all too easily lead to another. This is more important than the tired (but still important) debates on the "need" to limit the freedom of the rich in order to equalize (or make less unequal) the life chances of the poor.[4]

The expanded state certainly does not "transcend" the issues of liberty and equality—any more than they were transcended by the minimal or night-watchman state.

IT cannot be denied that capitalism played a key role in the development of individual (and group) liberties. John Vaizey affirms this in *Capitalism and Socialism*. The liberties of a society based on contract rather than on status certainly coexisted with much human misery. To know whether such misery was greater than that which it replaced would entail an impossible "exercise in comparative misery" and one which, Vaizey, like many other modern social scientists, declines to encourage. Maurice Peston also concedes this point about liberty in his contribution ("Liberty on the Left") to *The Socialist Agenda: Crosland's Legacy*, though he hastens to add that "what happened historically is not something which is also logically necessary."[5] I would not have thought this was ever in dispute. Professor Peston does, however, go on to write that:

> it is a matter of logical certainty that economic freedom to open

[4] By poor I mean poor. Poverty does not equal *relative* deprivation.
[5] *The Socialist Agenda*, p. 191.

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> a private business, accumulate capital, and bequeath it to one's successors must be severely limited in a purely socialist system. It is also logical that political freedom to restrain private enterprise and the way capital is used must be severely limited in a capitalist system.

He argues that a "pure capitalism" or a "pure socialism" can and does develop towards "a perversion of itself." I would not wish to engage in another impossible exercise of "comparative misery" and determine which of the "perversions" is more productive of human misery and deprivation. Peston is neither a communist nor a Marxist; indeed he writes that "A prime objective of Stalinism is to suppress socialists and socialism." Yet it is hard to see where, for example, we can find the liberal capitalist equivalent of the Gulag Archipelago which, together with other brutalities, have formed part of the Soviet Union's clearly impure version of "pure socialism." The argument for socialism, pure or mixed, can certainly proceed in a pure or mixed capitalist society, and in liberal societies it is freely pressed in the full glare of the "capitalist" media and with the full support of the publishing business. It is to the extent that socialism becomes purer, that the liberty to discuss, let alone demand, an alternative becomes (empirically *not* logically) harder to secure. Indeed there may come a point when to do so seems both anachronistic and futile: it is the special office of socialist ideologists to point out that an "irreversible shift in power" means exactly what it seems to mean and that those who seek a "reversion" are stupid, wicked and treacherous characters. Professor Peston, after some apparent hesitation, is prudently prepared to stand by Voltaire's celebrated position on liberty, even when it comes to the liberty to engage in "irrational discourse." Unlike the commissars he sees that "an attempt to distinguish sense from nonsense, and to restrict the latter, might be desirable but it would be impossible to know where to stop... sense and nonsense must both be permitted if freedom of expression is to have any meaning at all." [6] Peston believes that "far from social democratic intervention and the mixed economy being the way to Gulag they are the real, if not the only, means of avoiding the destination." To rule out state intervention in "principle" is to spit into the wind. The realities of business monopoly and of market failures to produce optimum supply of certain goods or services (the externalities problem) will inevitably "be on the agenda for political debate." The reactions to market failures (especially unemployment) can and will, he argues, on occasion at least, produce a political majority for state intervention. These are other scenarios—and Professor Peston is right to say that each of them (like the consciously interventionist one) have a political dimension—and, as he implies but does not insist, may produce explosive social tensions. He is clearly

[6] Ibid. pp. 195–6.

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an enthusiast for greater equality and would, no doubt seek to resolve such tensions by egalitarian action as well as gestures. (But how much and in what direction is not explored.) But before concluding on a highly partisan [7] note he calls for "continuing debate on the two key issues for democratic socialism (or "social democracy"—a marginally different entity), i.e. the lines between the public and private sectors, on the one hand, and the limits to freedom and equality on the other. One does not have to accept Professor Peston's egalitarian premises to accept his sage, hardly socialist conclusion:

> It will be impossible to guarantee perfect freedom or total equality, but these are at best mirages that may be pursued but never reached. Indeed, each is a totalitarian aim, just as is perfect truth.

Indeed it is his fellow socialists who will prove hard to convince of this imperfect truth: there are enough of them around who seek moral fulfilment (and lucrative employment) in the pursuit of one or other of their favourite mirages.

[7] He claims for example that Mrs. Thatcher's Government once elected "became obsessed with secrecy, manipulation of the news, and exerting pressure to play down views different from their own." He must have access to a different set of daily and weekly journals to those which pile up on my desk. If this was the government's aim they have been remarkably unsuccessful in attaining it . . .

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Latin America: Revolution and Underdevelopment

Jeffrey W. Barrett

LIKE the United States, the nations that make up the southern portion of the Americas were born from a confrontation with European powers. But unlike the experience of the colonies that tore themselves away from Great Britain, important voices from within the former Iberian domains continued to call for dramatic and profound revolutionary change even after the great issues of political sovereignty had been settled.

To an outsider accustomed to a political world where the rhetoric of moderation prevails, a striking aspect of this talk of "revolution" is the prestige of the word itself. The same identity appeals to a diversity of combating groups, separated, it would seem, by impassable barriers. The "communist" parties, of course, are well known for their "revolutionary" advocation. But their "fascist" enemies who materialized in great numbers during the 1930s, also contended that they were set upon a "revolutionary" course. "Moderate" reformers of Latin America like Eduardo Frei of Chile and Fernando Belaúnde of Peru, rather than avoid the inflammatory designation of "revolutionary," have embraced it and make it a central pillar in their campaigns. Military dictatorships, whether described as of the "right" (as in Brazil) or of the "left" (as in Peru) have come together on at least this one semantical point... they were carrying out a "revolution." Even classic examples of predacious tyrants such as Duvalier of Haiti, Jimenez of Venezuela, and Trujillo of the Dominican Republic, have sought to describe their social goals by laying hold of the magic word "revolution." Undoubtedly the most famous "revolutionary" of all is Fidel Castro; but before his ascent, others in Cuban politics dressed their rhetoric in revolutionary attire including Fulgencio Batista, the hated dictator Castro deposed by force of arms. At a glance, it appears that all over Latin America insurgent bands who claim to want "revolution" are conspiring to overthrow established governments who claim to be conducting "revolution."

Obviously, with so many claimants to the title of "revolutionary" thrown into a single arena, a discussion of the meaning of this embattled term can easily result in considerable confusion. An orderly beginning can really only be made in one way... by examining the social condition known as "underdevelopment." For not only is the impulse to revolution related to underdevelopment, it is entirely incomprehensible when not first preceded by a reasonable appraisal of the nature of mass poverty.

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WHEN the problem of underdevelopment is viewed through a broad historical lens, it is not difficult to see why some nations are rich while others are poor. Until a short time ago, all areas of the globe were "underdeveloped," and all societies of human beings lived at, or just above, a bare subsistence level. The first people to break away from this relatively uniform pattern of poverty was located on the western edge of the Euro-Asian land mass. It could have happened among any people in the world . . . or among none at all. It happened among the inhabitants of Western Europe. It was this people who set a new standard for sufficient living conditions, and it was this people who, by their example, informed those congregations of human beings outside the compass of European culture that they were "underdeveloped."

If other peoples wished to match the Europeans in their success, they had to do more than simply acquire Western mechanical and organizational skills, they had to acquire the values, attitudes, and customs that prompted the Europeans constantly to innovate and build upon those skills. What the Europeans accomplished through an unplanned, glacial *evolution*, other peoples had to manage through a quick, deliberate *revolution*. But to transform over a span of mere decades the basic human values, beliefs, and ways of thinking of an enormous human mass numbering in the millions, is the most profound and difficult of all revolutions. Of all non-European cultures, only the Japanese have surmounted the obstacles and broken into the small circle of prosperous, "modernized" peoples.

THE close relationship between "modernization" and the "modern" values that have distinguished European culture, is made evident by the example of the European emigrants who, in the greatest population migration of human history, departed from their homelands and fanned out into the undeveloped territories of the earth. Wherever large numbers of Europeans have gone, they have flourished. The British, who led the way into the industrial age, were especially prolific colonizers; transplanted offshoots of this island people built up highly developed economies in the remote wilds of North America, Australia, and New Zealand.

The ethnic make-up of the population in Latin America as well as the patterns of economic prosperity on that continent, tend further to verify the intimate connexion between "modern" values and "modernization." It was Latin America's historical destiny to be populated mainly by American Indians, Africans, and Iberians (Spanish and Portuguese). The first two of these peoples were, of course, beyond the influence of modernizing European civilization, and the Iberians, almost as if they were sealed off by the Pyrenees mountain range, were among the Europeans least affected by the developments pioneered by the Dutch, French, and English. Shifting

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attention from the continent as a whole to the regions of Latin America, we also find that traditionally the most advanced belt of industrial and agricultural development (Uruguay, Southern Brazil, and the Río Plata region of Argentina) was located precisely in that area which received the greatest influx of European immigration during the late nineteenth and early twentieth centuries. Also worthy of attention are the economic achievements of smaller groups of European immigrants scattered over the rest of the continent who performed outstandingly well in relation to the rest of the population.

BECAUSE the relationship between cultural values and economic development was so clear in Latin America, it was readily acknowledged by the continent's first modernizers. For approximately a century after independence, what may be termed a "values approach" to economic underdevelopment dominated the thinking of leading political and intellectual figures. Juan Bautiste Alberdi, the most influential South American sociologist of the nineteenth century, opened a major investigation of his continent's social ills with the following statement which, while frank and unsparing, was very typical of the period: "South America is occupied by a poor people who inhabit a rich land, just the opposite of Europe which is occupied mainly by a rich people who inhabit a poor land." [1] Theorists like Alberdi attributed Latin American "backwardness" mainly to an unfortunate heritage of values. Their solution was to change those values through educational efforts and the promotion of European immigration.

Because this perspective on economic development appeals to elementary common sense, it is widely held among Latin Americans today. Within the ebb and flow of daily social life, it manifests itself in manifold ways, especially in conversations, complaints, and appraisals of concrete economic problems. Not infrequently Latin Americans may be heard to wonder aloud what their continent would be like if Latin America had been originally settled by the English and not by the Spanish or Portuguese. Less articulate Hispanic Americans, even illiterate peasants, will sometimes attribute their society's woes to an inheritance of "bad Spanish blood."

BUT contemporary Latin America also wears another face on how it evaluates its condition of underdevelopment. In highly visible sectors of Latin American life, the values explanation has ceded to another approach which generally asserts itself in the writings of intellectuals, the rhetoric of politicians, and other areas where the assessment of national poverty is more formal and public. In the last

[1] Juan Bautiste Alberdi, *Escritos Postumos de J. B. Alberdi*, Vol. I *Imprenta Europea*, Moreno y Defensa, (Buenos Aires, 1895), p. 1.

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50 years something that can be called a "structural" approach has gradually supplanted the older wisdom among Latin American intellectuals and political elites.

Focusing on concerns that scarcely consider values, a structuralist analysis preoccupies itself with such items as the "structure" of international trade (favouring rich "imperialist" nations), the "structure" of agricultural ownership ("feudal" and unproductive), the "structure" of industry ("capitalist," producing for profit and not for people), the "structure" of the internal market (maldistribution of income). In general, a structuralist perspective views the purchasing and productive power of society as controlled by the "wrong" social groups, and its "revolution" consists of their redistribution to the "right" groups. It is frequently hostile, for example, to foreign or private ownership of income-producing property, and its solution would be to transfer control of this property to the state (nationalization) or sometimes to worker cooperatives (socialization). Its basic assumption is that the "structure" of wealth and power that exists in underdeveloped countries is actually the cause of that underdevelopment. Its basic failing is in demonstrating how the shifting of control of national resources to some other sector of the population will, in itself, bring about economic modernization.

WHILE important in Latin America, structuralist concepts have not been overly influential among mainstream Western economists whose preoccupation with the challenge of underdevelopment in the post Second World War era has evolved into still another major approach to the study of national poverty. For scholars of this school, economic development, or more precisely the enlargement of a country's gross national product, is primarily a process of saving and investing capital. The problem of underdevelopment is, therefore, basically a problem of scarcity of capital.

Western economists are understandably encouraged towards this perspective by their own theoretical training which isolates "capital" and "labour" as the heavy engines of economic growth; and since impoverished lands are generally overflowing with unemployed and "underemployed" labour, capital accumulation remains their paramount concern.

The viewpoint of these developmental economists is also strengthened by their great interest in designing rather imposing-looking mathematical formulae (in technical language known as "econometric models") which governments of poor countries can use to "plan" the growth of their economies. The hope is that these formulae are mathematical representations of an economy and will allow planners to predict how the economy will respond under different kinds of government intervention. Obviously such formulae can be devised only if the factors affecting economic development are quanti-

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fiable and not so numerous as to make the whole exercise impossibly unwieldy. Factors that influence the availability of investable capital and, presumably, economic growth (balance of trade, interest rates, money supply, foreign aid, etc.) have the advantages of being familiar to the economist, limited in number, and easily translatable into numbers.

Many of the economists under consideration are willing to acknowledge that certain non-economic factors, including cultural values, affect economic development and even give generous reference to them. But as more and more of their colleagues are complaining, they do not know quite what to do with these observations when it comes to drawing up their strategy for modernization.[2] They can only deal with hindrances to modernization, such as government nepotism or corruption, by ignoring them, or, more specifically, by assuming they will change under the impact of increasing capital investment. Thus, even when they recognize non-economic factors as significant obstacles, capital continues to rest at the centre of their "planning" methods and their theory of development.

A growing number of critics from within the ranks of professional economists have been stressing the fact that capital cannot remain the exclusive or even primary focus of their labours because capital behaves differently in different cultures.[3] They sometimes point out as an example how foreign aid in the form of the Marshall Plan helped to rebuild a war-devastated Europe in a decade while foreign aid to underdeveloped countries is consumed as rapidly as it arrives with considerably less impressive results. Regarding many of their standard economic tools as of limited relevance in underdeveloped societies, they have moved out of the traditional areas of study, most notably into research of cultural mores that influence entrepreneurship. In this new terrain they have met sociologists, anthropologists, and political scientists interested in the same problem of national poverty. No hoped-for conceptual scheme has been worked out suitable to the needs of government planners, but their activity in this area is most certainly a vindication of the wisdom of the nineteenth-century Latin American theorists who toiled in these same intellectual fields many years ago.

[2] Gunnar Myrdal *Asian Drama*: *An Inquiry into the Poverty of Nations*, Vol. III The Twentieth Century Fund, (New York, 1968), pp. 1539–48, 1859–919. Simon Kuznets, "Notes on the Study of Economic Growth," *Items* (Social Science Research Council), Vol. 13, No. 2, June 1959, 13–17. Benjamin Higgens, *Social Aspects of Economic Growth in Latin America*, Vol. II (UNESCO, Paris, 1963), pp. 178–79. Everett E. Hagan, "Research on Economic Development: Turning Parameters into Variables in the Theory of Economic Growth," *American Economic Review*, Vol. 50, No. 2, May 1960, p. 625. Bert F. Hoselitz, *Sociological Aspects of Economic Growth* (The Free Press, Glencoe, Ill., 1960), p. 24. Michel Debeaurais, "The Concept of Human Capital," *International Social Science Journal*, Vol. 14, No. 4, 1962, 661–62.

[3] Gunnar Myrdal, Simon Kuznets, L. K. Sadie, Everett Hagen, Bert Hoselitz, and Theodore Schultz (who has concentrated on Latin America) are among the better known critics.

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TO recognize the primacy of the value approach to underdevelopment does not signify that many of the insights of the structural and scarcity-of-capital theorists cannot be accepted as valid. It does mean that any "assumption" that holds that capital investment alone or structural change alone is sufficient to precipitate the needed value reform must be regarded as unrealistic. Of course, a scarcity of investment capital, a traditional "structure" of society, and modernization-impeding values interrelate, reinforce, and influence one another. The disappearance of the first two developmental obstacles will therefore have an effect on prevailing values, but only in a hesitant, gradual, and unpredictable fashion. To put this into concrete terms, the Israeli people, who are essentially European colonists on an arid strip of desert in the Middle East, are far more prepared to transform their land into a modernized nation-state than a non-modern people with all the structural revolution they can bear and all the petro-dollars they can spend.

The problem of modernization-impeding values is especially significant to the central focus of this article, the Latin American revolutionary. His modernization revolution, to be sure, will have to impose structural reforms and sharply augment the rate of capital accumulation and investment. But with these revolutions executed, the real revolution has just begun . . . a revolt against the value and attitudinal heritage of the past.

If, then, "modernization-impeding values" are of such critical importance in the revolutionary process, it is necessary to examine their features, their evolution, and the forces that nourish their tenacious hold upon a human society.

ECONOMIC leadership is perhaps the most important, and easily the most overlooked, contributing factor to the development of modern, productive economies. Economic modernization, like any other complex form of cooperative social activity, requires initiators and prime movers. Because of this, a useful starting point in dealing with the problem of national poverty in Latin America would be to examine the quality of economic leadership in that society.

In the pioneer countries that first edged down the road to modernization, the chief organizers of the new economic enterprises were businessmen commonly referred to as "entrepreneurs." In countries that industrialized later, the men who took upon themselves the chief responsibility of fostering economic development were state officials. In order to investigate the prospects for modernization in Latin America, therefore, we must first look closely at what history has shown to be the two most likely modernization elites: entrepreneurs who carry out their activities as private citizens, and public officials

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who perform economic tasks in the name of the entire society. First, the entrepreneurs.[4]

PERHAPS the single most outstanding feature of entrepreneurship in Latin America has been the enormous importance of the foreign investor and foreign immigrant. In some parts of the continent, members of the native landed elite did become involved in certain areas of entrepreneurial activity such as cash crops, insurance, importing, and banking; by and large, however, the real entrepreneurial drive in Latin America, especially in the risky manufactures, has been foreign. Our concern is why this scarcity of Latin American entrepreneurship should have existed.

A first step in answering this question is to take note of the fact that the relatively few Latin American entrepreneurs who did exist usually came from the small social elite, indicating that something seemed to be preventing those born into the more populous sectors of society from becoming economic leaders. For example, in the Sao Paolo of 1939, not a single native Latin American manufacturer could trace his origins to the middle or lower classes, a situation in sharp contrast to the developmental experience of industrialized societies.[5] Obviously, if the lower and middle classes, the greatest potential reservoir of entrepreneurs, were not producing them, then the men who performed this kind of economic service would be in short supply in society as a whole. Our original question, then, might be rephrased to ask why so few economic initiators, organizers, and risk-takers emerged from the great mass of the people.

One standard response of considerable popularity is that Latin American elites have always constructed insuperable barriers to social mobility in order to frustrate those struggling below who aspired to better their economic and social positions. If such difficult obstacles really existed, then first generation immigrants should have been even less prepared than native Latin Americans to overcome them, for the new arrivals from Europe were not only poor and illiterate,[6] but also deficient in the knowledge of local languages and customs. The immigrants, however, were conspicuous in their success at advancing themselves through economic enterprise. One study carried out in 1956, for example, found that the rate of social mobility in the immigrant city of Sao Paulo was greater than in Kansas City, a representative urban centre in the legendary land of the "self-made man."[7] The

[4] The term "entrepreneur" is used here in the broad sense and includes the creative managers as well as the founders of economic enterprises.

[5] Warren Dean, *The Industrialization of Sao Paolo*, 1880–1945 (University of Texas Press, Austin, 1969), p. 46.

[6] "Sao Paolo's Industrial Elite, 1890–1960" (Ph.D. dissertation, University of Florida, 1965), p. 43.

[7] Seymour Martin Lipset and Reinhard Bendix, *Social Mobility in Industrial Society* (University of California Press, Berkeley, 1962), pp. 30–31; see also Jose Luis Imaz, *Los que mandan* (Buenos Aires, 1964), pp. 138–39.

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explanation as to why native Latin Americans did not experience similar success has to be other than the fact that the opportunities were not there.

ANOTHER widespread notion as to why more entrepreneurial talent has not come forth from the Latin American masses may be called the "lazy-bones theory," which reasons that most Latin Americans cannot better themselves because they are generally shiftless, no-good, improvident, and lazy. This view is often not heard in public and is certainly not the fashion among intellectuals and officials, yet it repeatedly creeps up in off-the-cuff remarks and casual conversations. While the "lazy-bones" idea seems to be sanctioned by the prevailing folk wisdom, its validity has been seriously questioned by careful academic research that has found the Latin Americans under study to be thrifty, frugal, and hardworking.[8] Why the discrepancy? Just how did the "lazy-bones" notion come about in the first place?

To investigate this it would be helpful first to become more specific as to what kinds of human values and what manner of social behaviour are implied when discussing modernization-encouraging entrepreneurship. The classic economic virtues of diligence, persistence, and frugality are, of course, included, but what is even more important is the overall orientation of work. A peasant cannot be considered an investment-minded entrepreneur if, through strenuous effort, he assiduously accumulates gold coins only to bury them under the floor of his thatched hut. Genuine entrepreneurial behaviour aims for an ever greater return on invested labour and capital, and if the investment efficiently increases the production of needed goods and services, it can be said to promote economic development.

WESTERN economists commonly assume that entrepreneurial types exist in all cultures in sufficient abundance. They describe the human family as economic animals (with entrepreneurs as a special capital-investing subgenus) and talk of men as acting "rationally" when in lieu of chasing prey or migrating to fresher pastures, they earnestly pursue the greatest possible reward for their labour and capital. The whole elaborate edifice constructed by these theory-builders rests upon the assumption that human beings are naturally inclined to desire greater economic benefits. The beauty of their assumption is that it is universally true. Its difficulty is that it is more universally true in some cultures than in others: in Western culture where this school of thought originated, the dominant prestige patterns are more conducive to "rational" economic behaviour in general and to entrepreneurial behaviour in particular, than are those of Latin American culture.

[8] For a study that directly addresses itself to this point see Charles Erasmus, "Work Patterns in a Mayo Village," *American Anthropologist*, Vol. 57, No. 2, pp. 322–33.

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The only effective means of illustrating this is to look in some detail at the results of relevant anthropological and sociological research, beginning with the meticulously recorded observations of the Reichel-Dolmatoffs. The two Colombian investigators took note of a behaviour pattern regarding work that has prompted many witnesses to describe Latin Americans as "lazy": "Although there are always opportunities for earning money, very few people in the village take full advantage of them." [9] However, in contrast to observers who are content with surface explanations, the Reichel-Dolmatoffs perceived that the forces underlying the seeming lack of interest in economic self-betterment were not the time-honoured vices of sloth, indifference, and lethargy, but concern over the prestige implications of work. These prestige concerns pushed the village inhabitants towards a routine of social behaviour that was incompatible with good entrepreneurship—that is, incompatible not necessarily with the diligent performance of work, but with the diligent performance of work oriented towards profitable investment and increased productivity. In the Reichel-Dolmatoffs' words:

> Every day there arise . . . opportunities for earning a living beyond the narrow limits of mere subsistence, either by wage labour, domestic service repair jobs, or transportation service, or by the home manufacture of saleable goods. But those who might profit by such work are often more than reluctant to accept what might be to them an unpleasant and even dangerous position.
>
> There are two principal reasons for this attitude. In the first place, the prospective worker feels himself in an inferior position as soon as he agrees to work for someone else. His self-esteem (*amor propio*) is affected, and he feels humiliated and slighted because by working for others he admits publicly his needy situation (*su situación de necesidad*). To be in need is humiliating. A self-respecting person who wants to be respected by others takes pride in saying, "I have no need" (*no tengo la necesidad*). In the second place, to work for more than subsistence or a given maintenance level is almost always interpreted as social ambitiousness, and the individual is thus exposed to the envy of others who might try to curb this ambition by gossip or magic. It is, therefore, not only the employer–employee relationship that is avoided as far as possible, but even independent work for one's own benefit, because it is likely to produce a notable surplus.
>
> All this, of course, does not mean that hired labour, or labour of any other kind, is non-existent, or that all people live at a mere subsistence level. Physical necessity and prestige factors are powerful incentives to work, but the scope and intensity of this work are severely limited by the considerations mentioned above. The continuity and range of the effort made in making a living, or in exploiting to the fullest all potential resources, do not depend

[9] Gerardo and Alicia Reichel-Dolmatoff, *The People of Aritama* (University of Chicago Press, Chicago, 1961), p. 259.

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> so much upon the individual's intentions, ambitions, or capacities as upon his recognition of certain limits which his society imposes upon him. Every individual has to know just how far he can go in his efforts; just how much prestige he can afford to lose in one sphere if he is to acquire it in another. Each man must judge for himself how much of his labour effort will be accepted as adequate and normal by society and how much might be interpreted as aggressive behaviour and ambitiousness unbecoming to his particular class-status. What the casual observer would simply call laziness, inertia, or lack of responsibility must then be viewed rather as evidence of a very fine social balance which has to be maintained by a conscious effort to restrict one's personal ambitions and potential resources. People do not shirk labour; they have developed their own patterns of work according to their own particular socio-economic structure, their value system, and the physiological conditions inherent in the climate and their health status. . . . It seems that the nagging insistence with which members of one culture call those of others "lazy" is partly due to incomprehension of this highly complex balance.[10]

The Reichel-Dolmatoffs, then, attributed to a distinctive prestige system and not to the vice of "laziness" the difficulty Colombian villages experienced in forming the kinds of mutually advantageous work agreements that in Western culture would have been fairly straightforward and easy to arrange. In the section quoted above they highlighted two specific prestige responses, the first of which should sound very familiar: typically the villager was very sensitive to the possible effect the acceptance of an "inferior" employee function might have on his social position; and since this sensitivity hardly abated after the job began, it not only influenced how determinedly he looked for work but how efficiently he carried it out. The degree to which this status concern could limit the work efforts of even an individual in substantial economic need, is revealed in the following passage:

> In all labour relations absolute equality of "dignity" and "respect" is called for, and it must always be understood that by agreeing to work for another person no position of inferiority is implied. . . . The first difficulty arises as soon as the employer begins to look for labourers. Very rarely, practically never, can a person be approached directly and asked to work for a certain time and wages. This would be embarrassing for both parties and most humiliating for the one who is offered the work. The latter is likely to refuse, to feel offended, or even to answer haughtily, "I myself am looking for hired help." Such arrangements, therefore, must be made through an intermediary, a relative, a friend, or a *compadre* who, with the necessary diplomacy and caution, suggests that the one accept the work and conditions offered by the other. . . . Once the work has been explained in detail, it is common that the labourer asks for some time to "think it over."

[10] Ibid. pp. 260–61, passim.

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This is done even though a man may be in urgent need of cash or may have already decided to accept the work, because in this way he can show that he is not pressed and in no way eager to work for others. Days or even weeks may pass before the employer is notified of the final decision, and meanwhile the labourer, in his daily conversations, makes occasional sly allusions to his popularity as a hard worker, his willingness to "help out others who are pressed for workers," or his reluctance to accept the work, he being a busy man himself. In this manner the labourer affirms his independent position and rationalizes the humiliating aspect of the work.

These attitudes continue when the employer and employee finally meet face to face. It is the labourer who speaks now in a loud, angry, and demanding voice, who criticizes and disobeys, who complains constantly about the work, the food, and the wages. The employer, on the other hand, speaking in a low and casual tone, is as polite as possible and tries to persuade the labourer to perform his work in a certain way. Apparently simple tasks now become problematic: the felling of a tree, the mending of a fence, the harvest of an acre of coffee. The labourer's standard reply is that "it can't be done" (*no se puede*), and he will produce a great many reasons why the work is impracticable under the given circumstances: because it is too late or too soon; because the wood or the *burro* or the tools are useless; because it is a waste of time and effort; and so forth. However, meanwhile the work proceeds. If it does not turn out to the entire satisfaction of the employer, the labourer certainly will not accept the blame for it, but will put it upon a great many other circumstances. All this is, of course, a standard pattern of behaviour, well known to the employer who has to accept it if he wants the work done at all.[11]

The situation described by the Reichel-Dolmatoffs (which can be found in many areas of rural Latin America [12]) illustrates how a person's potential for work can become so entangled in prestige calculations that he is not likely to respond in an economically "rational" way to the stimulus of material self-interest, as are people in cultures regulated by prestige patterns more conducive to modernization. This, in turn, has an understandably inhibiting effect on the growth of entrepreneurship. When a people's value structure hinders their desire to maximize their return on their time and labour, then it is highly improbable that many demons of entrepreneurship will emerge from their ranks. Furthermore, even when some individuals demonstrate a measure of promise as investment-minded organizers of economic activity, their growth as entrepreneurs will be severely hampered by the fact that the labour supply available to them can be motivated only in a partial way by ordinary economic incentives.

[11] Ibid. pp. 262–63.

[12] Lewis, for example, discusses similar work patterns in Oscar Lewis, *Life in a Mexican Village: Tepoztlan Restudied* (University of Illinois Press, Urbana, 1963).

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EVEN more discouraging to the development of entrepreneurship is the second point of explanation brought out by the Reichel-Dolmatoffs regarding the source of modernization-impeding work habits. It refers to an extremely significant cultural feature, in evidence all over Latin America as well as within Latin American communities in the United States, which shall be identified in this essay as the "envy reflex."

The specific problem with the envy reflex is that the custom deters individuals from accumulating capital for productive investment. The process of economic development requires that capital be saved and used to increase the output of goods and services, and the envy reflex discourages the maturation of entrepreneurial-type individuals willing to take the lead in this vital enterprise.

Those aspects of Latin American culture that stimulate the envy reflex should be reasonably self-evident. In the hierarchical view of the human order, someone who grows in wealth and rises in social prestige is readily seen by others as threatening, as becoming "better" than they are. Consequently, he who patiently piles up a capital surplus, even if this surplus is intended for investment, is apt to be negatively viewed by his peers as "aggressive" and "socially ambitious."

An awareness of this cultural situation can indeed be intimidating to an individual who might otherwise attempt to improve his fortune through entrepreneurship. All around him a potential entrepreneur can hear remarks, stories, and conversations similar to those recorded by an anthropologist in the Mexican-American town of Mesquito:

> Neighbours are against one, it is asserted, and one's good fortune only excites their envy and hostility. Those emotions are expressed by such recurrent statements as: "People don't want to see you get ahead, that's the way of *la raza*" (Mexican-Americans). Another frequently heard comment maintains that "Invidiousness is all around one; you can't improve your lot without *la gente* working against you." Also, "I don't know what it is about *la raza*, but you can't work together with anyone." These and other similar citations from the everyday conversation of Mexican-Americans in Mesquito describe the qualities which they, themselves, attribute to social relations.[13]

In Frontera, another Mexican-American community, someone with the seeds of entrepreneurship within him would run up against basically the same discouraging social attitudes. The anthropologist Octavio Ignacio Romano writes:

> *Envidia* or envy constitutes a major problem for the local citizens, for it is generally considered a dominant characteristic of *la raza*, or the race, as people of Mexican ancestry commonly call

[13] Arthur J. Rubel, *Across the Tracks: Mexican Americans in a Texas City* (University of Texas Press, Austin, 1966), p. xxiii.

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> themselves. The acquisition of readily desirable goods, or a declaration of ambitions to better one's station in life, are believed to be certain ways in which to elicit *envidia* among neighbours . . . " We can't lift our heads (better ourselves) without the neighbours becoming envious and the gossip beginning. Right away they say we are pretentious. . . . The Frontera males assert that the first to react with envy and to attempt to make a person fail is a neighbour or another person who is also of Mexican ancestry. Thus, it is said, " One's own people will always seek a way to make a successful man fail because they are envious." [14]

And in case a general familiarity with the prevailing social prejudice is not warning enough, the potential entrepreneur is also likely to hear about the specific hazards of rising too far above others. Concerning the kinds of retaliation against the successful that commonly took place in Tepotzlán, Oscar Lewis recounted:

> Successful persons are popular targets of criticism, envy, and malicious gossip. A new calf or cow may come home with a deep slash from someone's machete. Some unknown enemy may stone another's dogs or drive away his chickens or pigs.[15]

Some idea as to the strength of the social pressure that can be brought to bear upon individuals " pretentious " enough to want to succeed in business, is rendered by the following example from another research study:

> Two brothers who enlarged their *cantina* into a small night club were boycotted by their former friends. Several times the screens on the windows were slashed and the window frames broken. One night a truck " accidentally " rammed the wall of the establishment and the large crack had to be repaired at considerable expense. " We are doing a good business but our customers are strangers, not friends," one of the brothers said.[16]

While actual acts of retaliation are significant, it is the pervasive threat of retaliation, the fear of the envy reflex, that does the most harm to the growth of entrepreneurship. This fear can be seen at work in the case history of Prudencio, a capable, conscientious Mexican-American who was employed in a retail store owned by an American. Prudencio's qualities were so obvious that the proprietor took a personal interest in him and his future success. The account continues:

> When the owner moved to another section of the country, he offered to sell the store and its stock to Prudencio, urging the latter to buy the enterprise. Prudencio remembers that his hesi-

[14] Octavio Ignacio Romano V., " Donship in a Mexican-American Community in Texas," *American Anthropologist*, Dec. 1960, p. 973.
[15] Lewis, *Life In a Mexican Village*, op. cit., p. 294.
[16] William Madsen, *The Mexican Americans of South Texas* (Rinehart and Winston, New York, 1964), p. 23.

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tancy was such that he rejected the plan, but the Anglo [17] continued his encouragement. Finally, the owner of the store offered the business at a very low sum, to be paid in very reasonable monthly payments; he went so far as to act as Prudencio's co-signatory when he borrowed the money from the bank. (Throughout his recollections of the business deal Prudencio attributed to himself a passive role, and to his Anglo patron the active role.)

Several years later Prudencio accepted an additional position with another Anglo as a driver and delivery man on an ice route, depending on his wife to manage the store. Sometime later the Anglo owner made plans to move elsewhere and offered the small business to Prudencio. Once again Prudencio refused to expand his commercial interests. The Anglo, however, insisted that if he left the business to anyone, it would be Prudencio. He offered the delivery truck to Prudencio on the following terms: if the purchaser could not pay for the vehicle during the first six months, the Anglo would present it to him as a gift. Prudencio agreed to the deal and says proudly that he paid for the delivery truck in the first five months.

Prudencio attributed his timidity and passivity in these business negotiations to the knowledge that, "Your own race doesn't like to see you get ahead." He says there is much invidiousness in Mexiquito, and people have come up to him on the street to tell him that his businesses would be failures within three months. Furthermore, he recalls that before he became an independent businessman, he was on very good terms with the other workers at the produce shed. When he took over the store and, later, the delivery route, the men acted as if they didn't know him.[18]

Although the case history of Prudencio ended satisfactorily, it serves to illustrate how in normal circumstances the envy reflex and the fear of *envidia* can work to discourage the spirit of entrepreneurship from revealing itself. Potential entrepreneurs who would otherwise be willing to bear any other difficulty to achieve success, often find that the enormous social pressure exerted upon them by their friends and neighbours renders the sacrifices not worth the rewards. If, therefore, a Latin American modernization elite wishes to conjure up the spirit of entrepreneurship among the broad masses and to multiply the numbers of capital accumulators, risk-takers and organizers of economic activities within the society, then it must do more than offer ordinary Western-style business incentives like tax breaks or low interest loans; it must also confront an extremely stubborn modernization-impeding custom called *envidia*, or the *envy replex*.[19]

[17] A term commonly used to refer to Caucasian Americans of non-Latin origin.

[18] Rubel, op. cit., pp. 88–89.

[19] For other discussions of the envy reflex, see George M. Foster, "Interpersonal Relations in Peasant Society," *Human Organization*, Vol. 19, No. 4; Winter 1960–61, pp. 174–78; Helmut Schoek, "The Envy Barrier," in *Foreign Aid Reexamined: A*

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The focusing of attention on values and customs as impediments to entrepreneurship, does not mean that other kinds of factors have no influence at all. It must be noted, however, that these other factors, such as poverty, illiteracy, social exploitation, bureaucratic corruption, union intransigence, etc., were obstacles to the European immigrants as well. The fact that many immigrants overcame them shows that they could be overcome, and the fact that relatively many more immigrants overcame them than did native Latin Americans, is an indication that problems relating to Latin American cultural values are what have been really decisive in holding back entrepreneurship in that society.

THE crucial impact of modernization-impeding values upon entrepreneurship is, perhaps, even more clearly to be seen by observing not the Latin Americans who never became entrepreneurs but the Latin Americans who have, and who as a group are less outstanding at organizing the production of goods and services than the entrepreneurs of other countries. The first thing that must be recognized here is the relative nature of entrepreneurial quality, and that some national cultures produce better entrepreneurs than others just as surely as some cultures produce better writers, inventors, scientists, soldiers, sculptors, and soccer players. In the days when the business of America was business, the crown champions of entrepreneurship were undoubtably the Americans; most knowledgeable authorities today would probably concede that title to the Japanese. The prime concern here, however, is not with order of rank but with examining how dominant Latin American values have rendered the entrepreneurship that has developed within Latin American culture less effective than that which prevails in modernized societies.

An inquiry of this sort is greatly facilitated by the fact that researchers belonging to certain academic schools of thought [20] have long recognized the vital importance to economic development of capable entrepreneurship and, pursuing this insight, have compiled a considerable body of literature relating differences in values and attitudes found in modernized and non-modernized societies to differences in the quality of entrepreneurship. One such study was conducted by a leading American professor of industrial relations, William Foote Whyte. While working in Peru, Whyte observed in interpersonal

Critical Appraisal, James W. Wiggins (ed.) and Helmut Schoek Public Affairs Press, Washington DC, 1958), pp. 90–110; Charles Erasmus, "Community Development and the Encogido Syndrome," *Human Organization*, Vol. 27, No. 1, Spring 1968, pp. 70–71.

[20] Lipset points out that sociologists are the academicians most at home in this area, but management specialists and a number of economists have also made important contributions. See Seymour Martin Lipset, *Revolution and Counterrevolution* (Basic Books Inc., New York, 1968), pp. 64–65. This essay and bibliography are an excellent summation of the available research on this subject. For a number of essays by leading economists see Peter Kilby (ed.), *Entrepreneurship and Economic Development* (The Free Press, New York, 1971).

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relations social behaviour that appeared to be caused by a relative lack of mutual trust among Peruvians. In order to bring this attitude to the surface, Whyte administered a specially designed questionnaire to American and Peruvian students and did indeed find a significant (Whyte used the term "enormous") difference between the amount of trust shown by the American and Peruvian respondents.[21]

Assuming this relatively low level of trust to be prevalent throughout Peruvian culture, Whyte tackled the question of what effect this would have upon the conduct of the directors and managers in Peruvian industry. The professor believed that the cultural problem of a deficiency of trust was impeding Peruvian industry from adopting needed managerial reforms. This is a matter of considerable consequence because advances in management efficiency are at least as important as technological breakthroughs in sustaining the high standard of living enjoyed by the modernized countries[22]; yet the latest management techniques cannot simply be imported from one culture and applied to industry in another if they are not compatible with the values of the recipient society. Whyte pointed out that the overcentralization of authority was a definite problem in Peruvian industry but recognized that Peruvian entrepreneurs would not copy the decentralization methods that their American counterparts found so successful as long as they did not trust their subordinates enough to delegate authority. Whyte explained that even if an industrial leader were willing to experiment with the new approaches, the department heads, because of mutual distrust, were not likely to work out common problems together, and that this would push the burden of decision-making back to the very superior who delegated power to them in the first place.[23]

ANOTHER inefficient entrepreneurial practice encouraged by the general climate of distrust is nepotism. Although a willingness to abide nepotism is a strong indicator of bad management, Latin American enterprises are shot through with it. What draws the heads of Latin American production centres irresistibly towards the practice of nepotism is a force far more powerful than simple benign interest in the prosperity of relatives. These leaders feel themselves engulfed by a world populated by untrustworthy human beings, and so naturally place great emphasis on finding subordinates who will not betray them; and who else is more likely to be loyal and obedient

[21] William F. Whyte, "Culture, Industrial Relations, and Economic Development: The Case of Peru" (Mimeograph, 1966), pp. 5–6. This research was later published in William F. Whyte, "High-level Manpower for Peru," in *Manpower and Education: Country Studies in Economic Development*, Frederick Harbison and Charles A. Myers (eds.) McGraw-Hill Co., New York, 1965), pp. 65–66.

[22] Theodore Levitt would go even further than this. See Theodore Levitt, "Management and the Post-Industrial Society," *The Public Interest*, No. 44, Summer, 1976, pp. 72–75, 83–85.

[23] Whyte, "High-Level Manpower for Peru," op. cit.

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than the members of their own families who are tied to them by blood and marriage? Capable individuals who do not share these basic human bonds with the chief decision-makers are either not admitted into the firms or are left holding the less responsible positions within them.

Of course many Latin American businesses are too large to be managed entirely by family members, and here outsiders are able to advance to important posts. But even in these situations the fundamental spirit is still the same: those who are selected are referred to as *hombres de confianza*, men of unquestioned loyalty. The fact that loyalty is valued over ability tends to bring to the top individuals who are best at demonstrating loyalty rather than those who are best at increasing productive efficiency. The top executives of Francisco Matarazzo, Brazil's leading entrepreneur of a generation ago, were so unreserved in their displays that when they took their leave of Matarazzo in his office they bowed deeply and walked backwards towards the door. A far more typical, as well as harmful, way that subordinates characteristically demonstrate unswerving obedience is by acting as yes-men to their superior, never criticizing his decision even if they feel it to be wrong.[24]

ASIDE from values urging Latin American entrepreneurs towards a poor choice of management, these same cultural influences can motivate them to make other kinds of decisions that impede optimum production and growth. For example, Thomas Cochran, an economist who conducted a detailed study of the attitudes and habits of Puerto Rican businessmen, could not find a single instance of a voluntary merger between firms despite the obvious economic need of many to do so.[25] Cochran attributed this remarkable discovery to the "unyielding individualism" of the heads of Puerto Rican firms. "Men with moderately successful businesses," Cochran explained, "do not want to become just one of several executives in a large company."[26] Cochran's observations are valid for other parts of Latin America as well. Aside from the issue of trust, and apprehension about sharing power, compelling personal reasons hinder, indeed for many Latin American businessmen render unthinkable, the possibility of losing complete control of their company through a merger. When men are emotionally swayed by hierarchical concerns of prestige, it is usually more attractive to remain the top executive in a smaller firm than to accept a lesser position with a larger company.

The same basic dislike of sharing authority with others is a vital

[24] John Fayerweather, *Management of International Operations* (McGraw-Hill Book Co., Inc., New York, 1960), pp. 24–27.
[25] Thomas C. Cochran, *The Puerto Rican Businessman* (University of Pennsylvania Press, Philadelphia, 1959), p. 108.
[26] Ibid. pp. 91, 108.

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force behind an often-noted phenomenon of the Latin American business world—the underdevelopment of the stock market. An illustration of this can be seen in a Brazilian survey of business leaders carried out in the early sixties which revealed that 93 per cent of the businessmen interviewed had not so much as thought about selling stocks in their companies. The selling of stocks, of course, would have meant the relinquishing of at least some control to the investors who held the portfolios. The inevitable result was that, with the exception of a few businesses that might have been able to generate sufficient funds from their own profits, Brazilian production centres were severely limited in their ability to invest for future growth and expansion. Little wonder, then, that an enormous country like Brazil could at this time boast of no more than 380 enterprises employing over 500 workers, less than ·5 per cent of all existing firms.[27] Significantly, half of these larger companies were concentrated in the single city of Sao Paulo[28] where heavy European immigration has served to make the value patterns in that area the least Latin American and the most " modern " of any part of Brazil.

Reinforcing the growth-impeding reluctance of Latin American entrepreneurs to utilize the stock market tool, is the rather frank and open aversion of these entrepreneurs to taking risks.[29] An adventuresome willingness to take economic risks has, of course, long been recognized as a vital element of good entrepreneurship. It is important to consider, therefore, the cultural factors that stimulate or inhibit the business urge to gamble on innovation and growth. In Western society certain cultural influences motivate entrepreneurs to continue to build and grow long after the point where an increase in income is able to increase their standard of living[30]; but in Latin American society, cultural values tend to deter entrepreneurs from taking further risks once they have achieved a moderate level of success. What weakens the will to expand among Latin American businessmen is the knowledge that the process of progressing from a smaller to a larger stage in business almost always entails a substantial risk of failure and bankruptcy, and that such an eventuality would cost them dearly not only in income but in social prestige. In the highly status-conscious Latin American culture, the possibility of a sharp drop in social position is an especially alarming prospect. The prestige calculation that they would stand to lose more status through failure than they would gain through further accomplishments in the field of business, influences many moderately successful

[27] Emanuel de Kadt, " The Brazilian Impasse," *Encounter*, Sept. 1965, p. 57.

[28] Ibid.

[29] Albert Lauterbach, " Government and Development: Managerial Attitudes in Latin America," *Journal of Inter-American Studies*, Vol. 7, No. 2, Apr. 1965, p. 209; Albert Lauterbach, *Enterprise in Latin America* (Cornell University Press, Ithaca, 1966), pp. 75–76.

[30] One of the best known interpretations of these incentives is David C. McClelland, *The Achieving Society* (D. Van Nostrand Co., Inc., Princeton, 1961).

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entrepreneurs to avoid taking chances and pushing their enterprises towards a more productive phase of company growth.

AS a result of various cultural factors, then, the production enterprises organized by Latin American entrepreneurs tend to remain undersized, stuffy, and sadly lacking in innovative spirit. They are famous for the high mark-ups they foist upon the consumer, and do not seem too excited by ideas that might improve the situation, such as the revolutionary notion of increasing profits by reducing prices and augmenting output. For example, when Sears and Roebuck were organizing their first store in Rio de Janeiro, the American managers discovered that many of their suppliers refused to enlarge their production even with a guaranteed buyer. One manufacturer of clothes-pegs, in a remarkable piece of inverted economic behaviour, put an end to Sears' inquiries by demanding a higher unit price for 10,000 dozen clothes-pegs than he did for 1,000 dozen.[31]

The relative lack of venturesome entrepreneurial spirit in the Latin American business world has the effect not only of reducing productive investment but also of deflecting it away from areas that are most critical to the human needs of under-developed societies. Too many investors, for example, prefer to sink their capital into urban land and luxury real estate which are considered less risky than basic manufactures and agriculture.[32] They are also very shy of long-term investments that would extend their risk over prolonged periods of time.[33] The uncertain political and economic conditions that prevail in many parts of Latin America have, of course, something to do with this, but causes related to values alone are sufficient to make the scarcity of "venture capital" a problem even in a country like Mexico where political stability, a strong currency, and a pro-business government have dominated the scene for many years.[34]

Another somewhat different value problem that influences the quality of Latin American entrepreneurship, has to do with the amount of prestige with which the culture endows its initiators and organizers of economic activity. This consideration is important because when a society poor in goods and services officially embraces the goals of modernization, revises the definition of acceptable living standards, and raises economic expectations, it should ideally reward with generous social esteem those valuable individuals who tackle most directly the challenge of economic productivity. From the point of view of modernization, a serious value deficiency of Latin American culture is that, compared to the social esteem which the economic innovators of the industrialized countries were accorded,

[31] "Sears, Roebuck in Brazil," *Fortune*, Feb. 1960, p. 151.
[32] Cochran, *The Puerto Rican Businessman*, op. cit., p. 81.
[33] Lauterbach, *Enterprise in Latin America*, op. cit., pp. 75–76.
[34] W. Paul Strassman, "The Industrialist," in *Continuity and Change in Latin America*, John J. Johnson (ed.) (Stanford University Press, Stanford, 1964), pp. 172–74.

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particularly during the most dynamic stages of economic growth, the prestige given to Latin American entrepreneurs is rather mean.

IN examining this contemporary value problem, Latin America can once again be seen as a victim of its own historical heritage. During colonial times the bias against vile, unaristocratic commercial occupations was so strong that an applicant to the prestigious University of San Gregorio had to establish by a detailed legal process his "purity of blood" and to prove that none of his ancestors had ever debased the family lineage by engaging in trade.[35] Prejudices of this sort have considerably softened over the centuries, but the legacy of the past still leaves its unmistakable imprint upon reigning Latin American values. An indication of this is found in the previously mentioned cross-cultural survey of William Foote Whyte which revealed that while a high percentage of American students hoped some day to become businessmen, only four per cent of their Peruvian counterparts expressed a preference for such a way of life. As with adolescents everywhere, the Peruvian students tended to aspire to the most socially prestigious kinds of employment which in their minds were the titled professions—law, medicine, engineering, and the military.[36]

The relatively low status of business occupations in Latin American culture reduces the overall quality of economic leadership not only in the obvious way of deterring talented individuals from becoming entrepreneurs, but also in the less obvious fashion of coaxing the entrepreneurs who do exist into poor work habits. An important example of this can be seen in the attitude of these men towards manual labour. The fact that their business occupations do little to bolster their social prestige renders Latin American entrepreneurs particularly defensive about engaging in activities, such as working with their hands, which are associated with low status individuals. This in turn necessarily diminishes the effectiveness of their performance as business organizers and managers. Few who have never worked in factory conditions can fully appreciate the vital importance of first-hand, on-the-job experience in learning both the technical and human problems involved in production. Ultimately it is the managers who are responsible for isolating and repairing the small hitches that can hold up an entire production process, for designing more efficient assembly lines, for motivating workers to better efforts by solving their grievances and devising incentives. All this requires the kind of knowledge and understanding that is best learned from practical experience on the factory floor. For this reason the "shirtsleeve entrepreneurs," during the early stages of American industrialization, passed long hours plunging their hands into greasy machinery and

[35] Harold R. W. Benjamin, *Higher Education in the American Republics* (McGraw-Hill Book Co., New York, 1965), p. 16.
[36] Whyte, "High-Level Manpower for Peru," op. cit., pp. 61–63.

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sweating at the sides of their employees.[37] Even in the larger, complex organizations of contemporary America, engineers, executives, and managers commonly dirty their hands helping to set up assembly lines and to work out problems there. The value system in American culture allows individuals in managerial or supervisory capacities to engage in manual labour without shame and without a decline in social prestige. This is not the case in Latin America and, as a result, Latin Americans in comparable positions try to avoid performing manual tasks which they feel would lower their social standing. US subsidiaries in Latin America have found much difficulty in persuading prospective Latin American managers to spend time on assembly lines even during their training periods.[38] Latin American firms, of course, encounter similar problems. One Colombian industrialist, for example, complained to a researcher that he had just lost eight out of 10 new college graduates he had hired because they felt that their work demeaned them.[39] Given attitudes such as these, it is little wonder that a survey of leading Colombian entrepreneurs found that not one of them had, in their entire working career, ever been subjected to the potentially valuable experience of working at a manual job.[40]

THE avoidance of manual labour is not, of course, the only status-related behaviour pattern that reduces entrepreneurial performance. It is understandable that, given the comparatively low prestige attached to their business vocations, Latin American businessmen should be anxious to take other positive steps to augment their social status. By correctly utilizing the techniques of prestige gamesmanship, businessmen can rise quite high on the social scale despite the little help they receive from their occupations. The most obvious and potent means available to them of raising their prestige is to use their wealth as a lever. In order best to exploit their wealth for prestige purposes, successful businessmen must display it by lavish spending and consumption. In other words, since they wish to identify themselves with the Latin American social elites, they must participate in the well-developed custom of conspicuous consumption for which these elites are so justly famous.[41] To condemn this behaviour merely on the basis of preconceived moral notions would be a simple human reflex of little analytical value. A far more significant issue is the effect

[37] Bert F. Hoselitz, *Sociological Aspects of Economic Growth* (The Free Press, Glencoe, 1960), pp. 151–52.

[38] John Fayerweather, *The Executive Overseas* (Syracuse University Press, Syracuse, 1959), p. 93.

[39] Everett E. Hagen, *On the Theory of Social Change* (The Dorsey Press, Inc., Homewood, Illinois, 1962), p. 370.

[40] Aaron Lipman, "Social Backgrounds of the Bogota Entrepreneur," *Journal of Inter-American Studies*, Vol. 7, No. 2, Apr. 1965, p. 234.

[41] William S. Stokes, "The Drag of the Pensadores," in Wiggins, *Foreign Aid Re-examined*, op. cit., p. 56.

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the ethic of conspicuous consumption has on entrepreneurial effectiveness and on economic modernization.

In pursuing this question, the fundamental rule to keep in mind is that the more those who control large amounts of capital spend on present consumption, the less they can invest in future development. Broadly speaking, the wealthy in Latin America, including the continent's economic leaders, spend so much in the conspicuous consumption of today that they do not allow enough capital resources for the economic growth of tomorrow. For example, figures from the early 1960s comparing Chile and Great Britain on this point reveal that while Chilean owners of income producing property consumed 64 per cent of their income, saved 21 per cent, and paid 15 per cent in taxes, their British counterparts consumed 30·5 per cent, saved 27·4 per cent, and paid 30·5 per cent in taxes. If the Chilean rich had the resolve to pull in their belts and consume only to the same extent as the British, the investment rate of their country could have been doubled.[42]

The vast inequality of wealth in Latin America is often justified by a superficial comparison with Western societies during their early phases of modernization. It is said that this lopsided concentration of monetary resources is necessary to achieve the astounding rates of investment that marked the bustling days of the early industrial revolution. A differing value system, however, renders that which was workable in one culture unworkable in another. Despite some flamboyant displays of conspicuous consumption in the pioneer industrial countries, Western culture was permeated by the influence of the Protestant ethic which induced most economic leaders to save and invest a large portion of their capital.[43] Latin American culture, in contrast, had no comparable restraining values, and the Latin American elites, the entrepreneurs among them, spend too much of their incomes on consumer goods and services and too little on capital investments that are intended to expand basic production. The social behaviour of the Latin American elites, in short, is not the same as that of the majority of European capitalists whose constructive investment-mindedness and useful social function was recognized and well described by John Maynard Keynes:

> Europe was so organized socially and economically as to secure the maximum accumulation of capital.... The new rich of the nineteenth century were not brought up to large expenditures, and preferred the power which investment gave them to the pleasures of immediate consumption. In fact, it was precisely the inequality of the distribution of wealth which made possible those vast accumulations of fixed wealth and of capital improvements which distinguished that age from all others. Herein lay, in fact,

[42] Stanislav Andreski, *Parasitism and Subversion: The Case of Latin America* (Schoken Books, New York, 1966), pp. 119–20.
[43] Ibid. p. 119.

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> the main justification of the Capitalist System. If the rich had spent their new wealth on their own enjoyments, the world would long ago have found such a régime intolerable. But like bees they saved and accumulated, not less to the advantage of the whole community because they themselves held narrower ends in prospect.[44]

Aside from conspicuous consumption, Latin American entrepreneurs are also criticized for taking part in another practice designed to win them social prestige—conspicuous idleness. While the custom of conspicuous consumption wastes the monetary resources of entrepreneurial leaders, the custom of conspicuous idleness wastes their time and talent. Conspicuous idleness is a practice that attempts to demonstrate a glorious freedom from the necessity of having to work for a living. As with conspicuous consumption, it has its roots in the Latin American heritage of aristocratic values where the proudest and most prestigious individuals were those unfettered by the base economic preoccupations of the servile multitudes. Modern conditions have, of course, modified this value, but even today a leading scholar on the subject of business behaviour in Latin America can assert: "The prevailing attitude towards profit in Latin America remains affected by the desire to 'get rich quick' and then perhaps to retire early and to 'live happily—that is, idly—ever after'." [45]

While an early retirement after an impressive climb up the ladder of success might not always be possible, a kind of half-way retirement may well be. Promotion to the rising executive in the Latin American business world often means the opposite of an opportunity for more responsibility and achievement; that is to say, it is often construed as an opportunity for pushing the dead weight of work onto the shoulders of subordinates. The Argentinian Tomás Fillol writes of this prevalent managerial attitude in his own country: "... the Argentine thinks of advancing himself in order that he may pass the burden of petty work to others; to many people, success means reaching a point in the organization where they no longer have to work or where they can come and go as they please." [46] The value of conspicuous idleness encourages the successful businessman not only to do nothing, but also to make a great show of it, a social exercise that, when examined carefully, is found to be prompted not by laziness but by a status calculation that has as its end the chance to boast loudly of freedom from the petty concerns of lesser men.

In their attempts to compensate for the relatively low prestige of their occupations, Latin American businessmen are also noted for wandering into non-business fields, which has the effect of restricting

[44] John Maynard Keynes, *The Economic Consequences of the Peace* (Harper Torchbooks, New York, 1920), pp. 18–21.
[45] Lauterbach, *Enterprise in Latin America*, op. cit., p. 159.
[46] Tomas Roberto Fillol, *Social Factors in Economic Development: The Argentine Case* (The MIT Press, Cambridge, 1961), p. 20.

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the efforts they can devote to improving and expanding their productive operations. The varied activities of a particular entrepreneur, Torcuato Di Tella, illustrate this tendency. During his career, the Argentinian Di Tella built up one of the largest industrial empires in Latin America and, by the standards of his culture, was a man unusually engrossed in his business ventures. Yet Di Tella took considerable time away from some of the most productive years of his life as a successful industrialist to become a landlord overseeing vast, rolling acres; a belated student labouring for a university degree; and, finally, an associate professor teaching courses at an institute of higher education.[47] Di Tella, of course, substantially raised his social status by acquiring these new identities, but, because he felt the need to pursue them, the underdeveloped Argentinian economy lost a considerable amount of the time and energy of one of its most creative entrepreneurs.

THE significance of any cultural factor that debilitates the entrepreneurial drive and zeal of Latin American economic leaders might be better appreciated by briefly discussing the kind of involvement and commitment to work characteristic of entrepreneurial elites in the successfully modernized countries. In general the business leaders of the West and Japan have demonstrated considerable dedication to, and preoccupation with, their productive tasks. In the great building decades of the early industrial revolution, this quality frequently reached the point of extreme self-abnegation. One of these pioneer entrepreneurs, for example, became renowned for punishing himself with 20-hour working days; another used to spend four sleepless nights a week sitting over and tending boiling cauldrons of factory brew as if caring for sick children; another tenaciously fought diabetes for the last eight years of his life and was advising his subordinates even on his deathbed; still another found that his injured leg reduced the time he could devote to supervising his factory so, rather than suffer this, he ordered—in an age when surgeons had never heard of anaesthetics and possessed little more finesse than butchers—the troublesome organ to be cut off.[48] Top executives in contemporary industrialized cultures no longer exhibit the near fanaticism that their earlier counterparts sometimes displayed, but generally the most gifted of them are required to take on more responsibility and to dedicate themselves even more assiduously to their jobs as they rise above the pack through promotions. Since there exists a real economic need for the most able managerial leaders to utilize their time and exploit their abilities to the maximum, there also exists

[47] Thomas C. Cochran, "Cultural Factors in Economic Growth," *The Journal of Economic History*, Vol. 20, No. 4, p. 518.
[48] Neil McKendrick, "Josiah Wedgwood and Factory Discipline," *The Historical Journal*, Vol. 4, No. 1, 1961, p. 51.

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a real economic need for a value system that encourages them to do so.

For a number of reasons, the critical importance of quality economic leadership in the development and management of a highly productive economy is not as widely appreciated in contemporary America as it once was.[49] In view of this fact and because the very idea of supervisory "commitment" is such a relative notion, it might be helpful to present a detailed illustration of the kind of managerial human material required to build up one medium-sized Maryland paint factory and to keep it efficient and competitive.

At the time this information was gathered at the factory under discussion,[50] the production manager had been on the job for 10 years and was contributing a steady, 50-hour working week. In the course of the entire decade he had never taken a single day's vacation. His total sick-leave amounted to three days and every one was spent in a hospital. Despite his holding an important executive position, he displayed no aversion to manual labour. Part of his daily, almost compulsive routine was to grab a broom during the periodic lulls in his office work and sweep the floor, to pick up coffee cups around the coffee machine, and to help his men load and unload trucks.

The plant's superintendent could boast of 19 years with the company and at this time was clocking a 50-hour working week plus two or three hours on Saturday morning. This was actually a rather lax schedule compared to the early years of the firm's struggling existence when he and the rest of the management, as well as the two owners, laboured 80 to 100 hours every week.[51] In contrast to the production manager, the superintendent had taken time off during his career—one day—to attend the funeral of his father. However, his record of sick-leave was better—a total of two hours out of 19 years. One afternoon at four o'clock he broke his arm; the next day he was back on the job, flailing the one that was still functioning.

Another member of the managerial team and a veteran of 17 years, was the maintenance engineer who regularly toiled six days a week, and often on Sundays, repairing and installing machinery. The engineer's total vacation time for his entire career amounted to four days. At one point he was forced to take three weeks' sick-leave when an ulcer attack stretched him out on a hospital bed. During this crisis period he still managed to fulfil a good part of his responsibilities from his sickbed by daily telephoning advice and instructions to the plant. The engineer's physical condition appeared to be so serious that his doctor ordered him not to work for six months. His resolve to follow these directions lasted no longer than his first morning at home, when

[49] An understanding of the contributions of business has paralleled its decline in prestige. See Paul A. Samuelson, "Business Blues," *Newsweek*, Aug. 1977, p. 70.

[50] Apr.–July 1973.

[51] The average working week for top American corporation executives is 60 hours plus 5 hours involvement in community service.

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he concluded that he could no longer carry out his supervision by telephone. That afternoon he was back on the job.

The maintenance engineer explained the prodigious efforts he channelled into his work by the fact that he felt "responsible" for the factory's success. There are those who would question such a human value and the style of life that ensued from it, but there can be little doubt as to its effect upon efficient production or, in the context of an under-developed society, upon economic modernization. Of all the human attributes that contribute to quality entrepreneurship and management, none are more important than a tenacious, unflagging determination to overcome recurring production problems and constantly to improve production methods. When, as happens in Latin American society, prevailing cultural values conspire to limit this steady dedication to economic activities, they inevitably reduce the calibre of management and entrepreneurship as well.

THE shortage of top quality entrepreneurs in Latin America is as obvious as the problem of poverty itself. The late American industrialist, Henry J. Kaiser, was fond of expressing the essence of the entrepreneur's vocation with his favourite company motto: "Find a need and fill it." In Latin America it is obvious that there are many economic needs, and it is just as obvious that there are not enough initiators of economic activities who are finding and filling them.

To anyone with an eye for such matters, Latin America abounds in opportunities for organizers of production units to make money for themselves (and provide employment for workers) by satisfying clearly visible economic needs. A team of economists from the International Bank for Reconstruction and Development once visited Cuba in the early 1950s and after careful study, drew up a long list of such opportunities: Example: 11,000,000 kilos of raw tomatoes were exported annually and 9,000,000 kilos returned to Cuba in various forms such as tomato sauce, paste, ketchup, etc. Why did someone not take advantage of this economic need? Example: meat industry by-products were not processed in Cuba but had to be imported, yet large quantities of scraps from Cuban tanneries, perfectly suitable for industrial use, were either exported for processing elsewhere or simply thrown away and wasted. Example: most Cuban tanneries imported the tannin used in their industrial process while vast quantities of mangrove tannin grew wild in Cuba's swamps just begging to be exploited.[52]

[52] International Bank for Reconstruction and Development, *Report in Cuba: Findings and Recommendations of an Economic and Technical Mission* (International Bank for Reconstruction and Development, Washington DC, 1951), p. 168; see especially Chaps. 44 and 48.

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THE reasons behind the sluggish development of the Latin American economies do go beyond the cultural factors which inhibit the growth of sufficient numbers of talented economic organizers; yet there can be no doubt that progress has been held back by the fact that many opportunities to find and fill economic needs have just stood there, like so many orphans, because no one was around to adopt them and develop their promise. This was, in fact, the principal reason why the European immigrants in Latin America were much more economically successful in relation to the native population than were those immigrants who piled off the ships in New York. Unchallenged by the same vigorous competition in business affairs that their counterparts encountered in North America, and unencumbered by the same value-impediments that held back Latin Americans, the immigrants who disembarked in Latin America were able to seize the neglected opportunities they saw all about them, and to use them as vehicles of economic prosperity and social mobility.

THE weak spirit of entrepreneurship in Latin American culture has made it improbable that the countries of that continent can follow the Western model of modernization where economic development was left mainly in the hands of private businessmen. The discussion, then, must turn to the alternative source of economic leadership—the government. Because of the insufficiency of private initiative in Latin America, in that society the idea that government must assume a far more active and important role in economic modernization was one born of necessity. It is an idea prominent in the rhetoric of politicians and in the writings of intellectuals all over the continent. The question here is whether the alternative developmental strategy has merit. Will the assumption of more economic decision-making power by public officials hasten the completion of a modernization task left unfinished by private entrepreneurs?

The beauty of the paper argument favouring greater state participation in economic modernization is that unlike private economic elites who are committed first and foremost to personal gain, state economic elites are responsible for the public well-being which, in the Latin American case, is interpreted as more economic growth; it follows, therefore, that since government officials plan their economic activities *directly* to foment modernization, they are more likely to attain this objective than owners of private enterprises who are chiefly concerned with the far more narrow returns of profit.

Such reasoning draws its strength from the notion of how governments are supposed to function and obviously would be considerably weakened if in fact governments failed to carry out their social responsibilities.

In the course of the twentieth century, the Latin American masses came alive. This change took place not suddenly but gradually, and

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the process continues even to this day. The appearance of ever larger groups of contestants in the arena of Latin American power struggles, has been the single most significant development in Latin American politics in this century.

The social forces working to bring about this dramatic transformation were global in scope. By the final quarter of the nineteenth century, the economies of the far-removed regions of the world were being woven together by Western nation-states into an historically unprecedented, interdependent economic system. Latin America, with empty lands and natural resources to offer, was also being drawn into this tightening network of trade and communication. Immigrants entered the continent in vast numbers; foreign investment increased in geometric leaps; economies grew, cities grew, and population, especially in the urban centres, exploded. The enormous social changes that overtook Latin America in the twentieth century produced multitudes of people anxious to join an ever widening circle of politicized activists. The two interest groups that figured most prominently in this process were the urban middle class and urban labour.

THERE are many Western observers of Latin American society who, casting an eye over the historical experience of their own countries, would look upon the growth and the political emergence of the Latin American middle classes with great favour. It is almost an article of faith among them that a large middle class is the necessary foundation for a prosperous and stable society, and with this assumption they view the expansion of this group as a sign pointing to a bright horizon of economic progress and political maturity. These observers have in mind, of course, the important contributions made by the middle class to the modernization of Western countries, but they fall into difficulty when they assume that the concept of the "middle class" can be smoothly transferred from their own culture to the Latin American. The fact is that the two superficially similar social groupings commonly referred to as "middle-class" in their respective societies, are quite different in their scale of values, their capacity for productive endeavour, the extent of their prosperity, and the level of their political fulfillment.

What has encouraged this misplaced hope in the middle classes of Latin America is the fact that certain parallels do indeed exist between them and the middle classes of the economically advanced Western states. Among their number are some of the more productive members of society; technicians, engineers, businessmen, and managers. The greater part of the Latin American middle class, however, is made up of superfluous white-collar workers, most of whom are a dead weight on the government bureaucracies.[53]

[53] Andreski, op. cit., p. 172.

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An elaborate structure of non-productive middle-class employment exists today in Latin America because it has always existed in Latin America. Traditionally in that society, vast numbers of aspirants to middle-class status have crowded into government service in order to avoid performing the kinds of work that would have offended their particular sense of dignity. As a result, the government bureaucracies grew to the huge, formless, listless bulks that have long astonished succeeding generations of Western visitors, like the famous Henry Koster who observed of nineteenth-century Brazilian society: "The number of civil and military officers is enormous; inspectors innumerable, colonels without end, devoid of any object to inspect, without any regiment to command." [54] Another nineteenth-century traveller to the same country correctly diagnosed the allure of white-collar occupations as the logical counterpoint to the aversion to manual labour. Anticipating the reader's question as to how these penurious but proud, "middle-class" vagabonds managed to feed themselves, he asked:

> How do they live? On the public whenever they can. But the country is poor, and salaries, except the emperor's, are very low; still, the government is beset by applicants for every species of office by which a few hundred milreis can be got. Every department is full to overflowing. Broods of embryo diplomatists seek initiation in the various grades of *attaché*. Swarms solicit commissions in the army—in allusion to which it is said the officers will in time outnumber the men.[55] The Church is next besought for the means of genteelly soaring above the lower orders, but she has shaved more heads than she can shelter.[56]

The freedom from manual labour continues to be an important mark of elevated "middle-class" status in contemporary Latin American culture. The prejudice against this type therefore, continues to induce many Latin Americans with middle-class identities to avoid socially useful jobs in favour of prestigious but parasitic ones. To illustrate, the proportion of people employed in white-collar administrative functions in Latin America approaches, and in some countries equals, the proportion employed in the most advanced industrialized states.[57] This is striking because the pattern in developed

[54] Henry Koster, *Travels in Brazil* (1817); reprint edition edited and introduced by C. Harvey Gardiner (Southern Illinois University Press, Carbondale and Edwardsville, 1966), p. 20.

[55] Some armies in Latin America actually did support more officers than regular soldiers. For example, in 1901 the Venezuelan army had four top generals-in-chief, 28 generals-in-chief one step below, 1,439 ordinary generals, 1,462 colonels, 7,308 majors, 3,230 captains, 2,300 lieutenants, and 1,000 ensigns. Approximately three-quarters of the Venezuelan army at this time was made up of officers.

[56] Thomas Ewbank, *Life in Brazil or a Journal of a Visit to the Land of the Coca and the Palm* (Harper and Brothers, New York, 1856), pp. 184–85.

[57] Andreski, op. cit., pp. 86–87; see also Payne's research method and statistics dealing with Colombia in James L. Payne, *Patterns of Conflict in Colombia* (Yale University Press, New Haven, 1968), pp. 57–60.

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countries has been for this kind of employment to increase in line with factory productivity, which allows fewer workers to produce more basic material goods and frees others to provide less essential administrative services. Latin America, in other words supports a percentage of administrative personnel considerably in excess of what the presently industrialized countries required at a similar level of development. If we add to this calculation the widely held view that much of the governmental administrative staffing in modernized countries is unproductive, then under-developed Latin American society appears to be heavily burdened by an extraordinary number of functionless functionaries.

Neither a knowledge of history, however, nor an awareness of the relevant statistics, is necessary for those living in Latin America to acquire a strong sense of the advanced stage that bureaucratic parasitism has reached in that society. Virtually all foreign residents, merely from their own personal experiences, will swear that the affliction has gone beyond anything known in the industrialized states, and their opinion is readily shared by Latin Americans with some familiarity with Western countries. Not surprisingly, the aggravated state of bureaucratic hypertrophy in Latin America is most noticeable within government ministries. A simple walk through many of them, interrupted perhaps, by a few random conversations, is enough to impart an impression of severe overcongestion of personnel and under-utilization of labour. Huge areas of office space are filled with desks so closely packed together that it is, at times, a difficult task to manoeuvre one's way through them. Still there may not be enough desks for all, and many workers simply stand and chat amiably or meander about. Some of them will freely talk about the bureaucrats who do not even have to appear at work, those who are so well connected that they have never so much as seen the inside of their ministries and have no contacts with them beyond the pay-checks they receive through the post. Another version of the absentee bureaucrat, one hears, is the fellow who walks into the office in the morning, places his hat on the rack, and returns to pick it up again in the afternoon. Other state employees do pass the day working . . . but at other jobs. A survey taken in Uruguay discovered that eight per cent of government employees there were working at second jobs while theoretically giving their time to the state.[58] Still other government toilers who do not care for outside employment, can be seen in the bars and cafés surrounding the government buildings and, with little or no prompting, will flash their employment credentials and boast about what they are getting away with.

Bureaucratic parasitism wastes to a shocking degree the two principal factors that increase production—labour and capital: We see

[58] Philip B. Taylor, *Government and Politics of Uruguay* (Tulane University Press, New Orleans, 1960), p. 83.

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before us in these under-developed lands a vast panorama of economic tasks and investments that must be initiated to provide for basic human needs; yet countless hands are avoiding productive labour, and numerous organizations overflowing with surplus bureaucrats are consuming scarce investment capital.

This observation, it might be added, again brings up the basic point that it is less the lack of productive resources than how they are used that is the fundamental reason for the existence of unproductive or "under-developed" economies. While the problems for modernization efforts caused by a scarcity of capital are very real, an abundant supply of capital in itself is not only insufficient to "modernize" a Latin American country, but is more likely to worsen the underlying social malaise that weakens productive capacity. History has demonstrated this time and time again when world demand for a certain raw material suddenly surges forward and soon the country producing it is awash with investable funds. It happened with guano in Peru, nitrates in Chile, rubber, diamonds, and gold in Brazil, and is happening today with oil in Venezuela and Ecuador. The money pours in and inevitably excites ambition—the kind of ambition that is shaped by a modernization-impeding value system. Many more people than ever before lift their sights and demand "honourable employment," that is to say, freedom from "vile employment." Hearing these appeals from the "people," the government responds, attempting to satisfy as many as possible by hiring them at low salaries. (In Ecuador, for example, where this dynamic is currently at work, the first trickles of oil began to flow over the Andes in the early 1970s, and in just two years [1973–75], the ranks of the meagerly-paid government bureaucrats swelled by 150 per cent.) [59] And when the bonanza ends, which it always does, the strained productive capacity of the country has to carry an additional load of those who will not stoop to "vile employment."

This is hardly the breed of middle class that has made the industrialized nations stable and prosperous. The majority of those who make up the Latin American middle class do not comprise a solidly affluent sector of society because they contribute so little to production. Nor do they form the unshakeable support of a stable government. They are, in fact, prone to bite the hand that feeds them because it does not feed them enough. A British sociologist remarks: "Penurious, embittered, and clamorous, the Latin American middle classes . . . do not contribute enough to production, but stake large claims to consumption, which they expect to be satisfied by some political sleight of hand." [60]

AND the government elites . . . why do they give in to a clamour that is so obviously contrary to the best interests of the economy?

[59] Joanne Omang, "Volatile Mix in Ecuador—Oil, Poverty," *Washington Post*, 9 Sept. 1975, p. A17.
[60] Andreski, op. cit., p. 172.

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The most obvious answer is that these elites are motivated by the most crass political opportunism. When high political figures are willing to bleed the nation with their own corruption, it is probable that they will not be too concerned with the social costs of placating the parasitic sector of the middle class when this will enhance their political positions. And, aside from weak resistance at the top, there is also the factor of strong pressure from below. The rank and file of the parasitic middle class are a sizeable and strategically located group of demanders and, in an age of mass participation in politics, even tough dictators must pay them heed. Politicians who depend upon votes to win office are even more vulnerable. Vote-seeking candidates for public positions need supporters actively to help them carry out their campaigns, and their supporters normally expect patronage jobs in return. It would be difficult to deny these partisan followers the anticipated regards of their labour, for just their voting muscle alone can be considerable. For example, in Colombia a political scientist worked with the relevant statistics to estimate the number of votes these intensely involved political activists could reasonably be expected to muster from amongst themselves, their family, and their friends—his calculations produced a figure that was one-third of the potential electorate and equal to the total number of actual voters! [61]

The governing elites in Latin America have responded to middle-class demands with such a crazy patchwork of concessions that the policies would make sense only if the politicians were deliberately designing the system to self-destruct. The loudest demand the leaders hear is for more and more white-collar jobs, so by intentionally keeping the salaries low, they load onto government organizations the heaviest bureaucratic cargo possible. Often they have to create entirely new "auxiliary" departments alongside the old ones in order to accommodate the overflow. Government officialdom keeps expanding as if propelled by some invisible law.

Rather than speed up the delivery of public services, the sheer numbers of superfluous non-workers actually slow it down, which adds to the inefficiency of the proverbially lethargic Latin American bureaucracies. In order to give everyone something to do, routine tasks are splintered up and parcelled out to the crowds of employees. The results are especially blatant to Westerners residing in Latin America, who are often bewildered by the number of stamps they have to procure, offices they have to visit, and stairways they have to climb, in order to get the simplest matters taken care of.

ANOTHER policy that lowers the efficiency of the bureaucracy while raising the level of public frustration, is the payment of niggardly salaries to government workers. This practice encourages, indeed almost obliges, an underground network of petty bureaucratic

[61] Payne, *Patterns of Conflict in Columbia*, op. cit., pp. 65–67.

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corruption that has become a pervasive and demoralizing aspect of Latin American life.

Legislation dealing with the retirement of public workers is still another aspect of these state employee systems that exacts a high social cost. A useful indicator of the responsibility (or opportunism) of governing elites is whether they have designed a pension programme that their respective economies can afford. The temptation for political leaders, of course, is to tranquillize demanding state bureaucrats with promises of generous pensions, which not only gets the workers off their backs for the moment, but shoves the problem of honouring these commitments onto future leaders. A review of the pension legislation in Latin America reveals that political elites in most countries have already been moved by a monumental, though intemperate love of humanity—or, what is more likely, have already discovered the political advantages of such a manoeuvre, and consequently have written extremely liberal plans for retirement into the law-books. In Argentina, state employees can retire with a full pension at 50 years of age, in Chile even younger. The most damaging case of abundant magnaminity is found in Uruguay where members of the military, if they have put in 15 years of service, can retire as early as 32, and where women with children can claim a partial pension with only 10 years of service. The legislation in Uruguay has brought about its predictable result: by 1972, 350,000 pensioners had to be supported by a working population of less than a million.[62]

There is no advanced, highly-productive society in the world that can afford such plans, and it is, of course, utterly senseless that underdeveloped countries should have them. When political elites shrink before the demands of middle-class public employees, they grant themselves temporary relief: but certainly in the long run their policies introduce greater instability into the political system. More non-producers rush in to fill the places of those who are granted early pensions. A few of the retired may find useful employment that is not beneath their dignity, but most have nothing to do but sit in cafés with other idle men, lean over their coffees and Cinzanos, and grumble about the damned politicians.

IF the "middle class" is the hope of some observers concerned with the future of Latin America, those who work with their hands and who for convenience are often called "labour," are the hope of others. But like the "middle class," "labour" too has, with the help of compliant governments, enlarged its size and influence in recent decades and inflicted its measure of social parasitism upon Latin American societies. To raise this issue may also raise the eyebrows of more than a few readers: for the popular image of the labouring

[62] Andreski, op. cit., p. 91; Samuel Shapiro, "Uruguay's Lost Paradise," *Current History*, Vol. 62, No. 366, Feb. 1972, p. 100.

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masses in Latin America is that they are regularly trampled down and spat upon and therefore hardly seem in a position to wrest more than their just share of economic rewards from the society at large. It is not labour in general, however, that is socially parasitic but only a privileged segment of it, a segment that is commonly referred to as an " aristocracy of labour."

An inquiry into the labour aristocracy in Latin America is best initiated by stressing the basic problem that has always confronted labour in that under-developed society: the overall standard of living of the labouring masses has been low and this has been the result of too little production rather than of too much exploitation. A comparison with the economic conditions of North American workmen whose real earnings during the nineteenth century were the highest in the world, illuminates this point. In the United States, the initiators of economic activities were far more numerous than their counterparts in Latin America and the very extensiveness of their economic activities created a demand for labour, rendered it relatively scarce, and drove up its price. In contrast, Latin American developers and owners of economic enterprises were relatively few in number, found labour relatively " overabundant," and therefore did not have to compete with one another for workers by raising wages. Unassisted by natural market conditions, the workers in Latin America could only hope to increase their purchasing power by unionizing and reducing the vast inequality of incomes between themselves and the wealthy elite that owned the income-producing property. Latin American governments at the time, however, almost reflexively sided with employers against employees on the issue of redistributive justice, but even had the workers succeeded in their unionization struggles, enlarging their share of a very limited productive output would have improved their lot only marginally.

An " aristocracy " of favoured worker unions began to emerge from the labouring ranks during the early decades of the twentieth century. The Latin American labour movement contributed significantly to the increasing trend towards the participation of " mass " interest groups in national politics. The process was given considerable impetus by certain ambitious political leaders like Vargas of Brazil and Perón of Argentina who, recognizing the potential of strategically located labour unions, championed the workers' cause in order to strengthen their hands as they played political poker. For example Vargas, during the first 10 years of his administration from 1931 to 1941, passed over 160 pieces of legislation which directly and significantly benefited labour.[63] Over the years, organized labour has also learned to appreciate what flexing their muscles can accomplish. The very instability of Latin American politics and the tenuous grasp on power of many Latin American leaders, are conditions which

[63] Stokes, *Politics*, op. cit., p. 239.

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have contributed to the ability of unions to force concessions from heads of state. Latin American political leaders, striving to maintain themselves in power for as long as possible, have often found it expedient to accede to the demands (no matter how unreasonable) of labour interest groups rather than risk strikes and violence on the streets. This has been especially true of civilian chief executives who were constantly menaced by the threat of a military coup should they appear unable to control surging mobs of protesting workers. It has been pointed out that under these circumstances, union strikes and violence are best understood not as the last desperate recourse of a frustrated proletariat, but as a specific institutionalized tactic aimed not at factory owners but at government leaders possessing the authority to force management to come to a settlement.[64]

AS a consequence of union pressure upon political elites, most Latin American countries have become (on paper) among the most advanced social welfare states in the world. Politicians have inscribed into heavy law-books a veritable blizzard of benefits such as minimum wages, maximum hours, automatic salary increases, profit-sharing plans, vacations, paid sick-leave, overtime compensation, religious and national holidays, savings funds, housing allowances, medical services for workers and their families, scholarships, accident insurance, severance pay, retirement pay, and death payments. It is said in Latin America that pro-union legislation should not be weighed by the kilo but by the ton.[65]

The most obvious comment about the politicians of poor countries who grandiloquently pledge the social welfare benefits of rich countries is that, due to the under-developed productive capacity of their economies, they cannot deliver what they promise. By and large, the only workers that are able to receive the promised benefits and ample salaries are those who belong to those segments of the labouring mass that are powerful enough to force government leaders to grant them what they want. The result of this is that in Latin America organized minorities of proletarians are far better provided for than the rest of the working class. Chilean copper miners, for example, earn three-and-a-half times the average worker's salary [66]; Venezuelan oil workers who make up less than 3 per cent of the labour force, take home nearly half the total wages paid in that country [67]; Mexican petroleum workers value their employment so much that their jobs have become virtually hereditary sinecures that are passed on from father to son.[68]

[64] James L. Payne, *Labor and Politics in Peru* (Yale University Press, New Haven, 1965), pp. 3–26.
[65] Stokes, *Politics*, op. cit., p. 239.
[66] Paul N. Rosenstein-Rodan, "Why Allende Failed," *Challenge*, May–June 1974, p. 12.
[67] Frank Bonilla, *The Failure of Elites* (The MIT Press, Cambridge, 1970), p. 290.
[68] Andreski, op. cit., p. 199.

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The main problem with the favoured members of the labour aristocracy in Latin America lies not so much in their highest incomes and greater privileges (which may be expected if they work in capital-intensive enterprises), but in the destructive way in which they wield their power. This power rests in their strategic location, almost always in the cities and often in the vital extractive industries, and unless their power is curbed by a superior power, they are usually ready to use it regardless of what harm their actions bring upon the rest of society. Although privileged and sometimes pampered in their salaries and perquisites, they are the first to desert their jobs, which are so crucial to the health of the nation, and parade in the streets with more demands. Furthermore, even while they demand more consumption from their impoverished, unproductive societies, they commonly insist on an array of " rights " that leads to less production. Prominent among these union " rights " are " featherbedding " schemes, immunity from being fired (*inamovilidad*), and the power of veto over technological change—" rights " which have the effect of diminishing work discipline and discouraging attempts to raise productivity. Comparable union practices are, of course, found in industrialized countries, but if harmful there, they are utterly devastating to under-developed societies which, as weak social organisms, can sustain less parasitism.

" WORKING-CLASS " and " middle-class " parasitism has been emphasized here because the role of union rank and filers and low-level government officials in fostering social parasitism is often overlooked. Part of the reason for this inattention is that whenever the members of these interest groups come together in large numbers to lodge their protests, they easily appear as the " masses," and most observers are used to thinking in terms of the Latin American " masses " as the exploited and not the exploiters.

To bring this out does nothing to diminish the fact that the more traditional targets of social critics—small, wealthy, elite groups—are also highly vulnerable to charges of social parasitism. Agricultural landlords (*latifundistas*), for example, have long been notorious for wallowing in luxury in the capital cities of Latin America and Europe and making no contribution at all to the production of their estates. Likewise, major businessmen have often been rightly accused of pressing their governments for sky-high tariff barriers which have allowed them to foist monopolistic prices upon captive consumers and rid their businesses of market pressures to increase productivity.[69]

IT is obvious that if there are those who unjustly gain from social parasitism, then there must be those who unjustly lose. By far the

[69] See, for example, John Biesanz, " The Economy of Panama," *Inter-American Economic Affairs*, Vol. 6, No. 1, Summer 1956, pp. 15–17.

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principal device by which the burden of social parasitism is shifted onto the backs of the losers, is inflation. The various species of social parasitism encourage inflation in countless ways. Political leaders who raid the public treasury and deposit the loot in overseas accounts rob the economy of needed funds for investment and expanded production. Industrialists who have arranged for law-makers to erect unscaleable tariff walls, are not motivated to compete and produce more efficiently. Labour unions that insist on privileges which weaken work discipline force consumers to pay more than necessary for goods and services. Middle-class bureaucrats pass their days in useless, nonproductive employment. All of these parasitic practices influence production adversely, which diminishes the purchasing power of the money in circulation and causes inflation.

Inflation grew to be a serious problem in Latin America during the course of the twentieth century when an increasingly large percentage of the population became urbanized, and when more people began to participate in, and make demands upon, the political system. Because of the pressures exerted by the politicized and influential sectors of the "masses," Latin American governments (contrary to their widespread image) were often very populist in orientation and attempted to mute the cries of the interest groups with more jobs, services, and privileges. The problem was that the political elites possessed very little control over these "popular" interest groups and were not able to inject discipline into their ranks and spur them on to greater productive efforts. Increased production, of course, could have generated increased tax revenues to pay for the increased government payrolls and social services. As it was, political leaders regularly spent more than they brought in and made up the deficit by the simple expedient of printing more money.[70] Inflation was the inevitable consequence. Inflation and the social parasitism that feeds it are not only social maladies but are maladies that point an accusing finger at Latin American governments and cast doubt on their capacity for economic leadership.

Partly because government officials commonly perform the kind of work where incompetents are hard to identify and weed out, and partly for other reasons, government institutions around the world have acquired a deserved reputation for being among the least efficient of large bureaucratic organizations. In Latin America this universal human problem is severely aggravated by the fact that "merit," as judged by performance, is not even the starting point for the hiring of state employees, but the chief standards there are rather political loyalty and personal connections.[71]

Inside the government bureaucracies, the rules do not suddenly switch to merit or seniority as a means of determining promotions but

[70] Andreski, op. cit., pp. 121–23.
[71] Ibid. pp. 87–89.

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are basically the same as those that govern the selection of appointees. Instead of giving the workers incentives to channel their energies into outstanding performance, this system rewards those who best learn the methods of bureaucratic infighting, such as assessing the power of factions and choosing the right side, cultivating allies and superiors with flattery, and stinging enemies with indirect criticism or outright slander. Well suited to the natural tendencies of hierarchical values, the system encourages employees to busy themselves with hatching intrigues and counterintrigues, conceiving powerplays, and nursing grievances. Somewhere in the midst of these Byzantine manoeuvrings, the simple, straightforward idea of doing a good job is lost.

THE problem of inefficiency in state bureaucracies is rendered even more serious by the fact that few outside pressures exist to force these organizations to switch their focus to merit and performance. Business bureaucracies, we have seen, suffer from some of the same ailments as their government counterparts; but in many cases businesses, especially those that compete in overseas markets, have to hire genuine talent, or at least train family favourites to do their job well, just to be able to compete in the market-place. Nothing comparable to market discipline troubles state bureaucracies. Government is not only a monopoly, but it is a monopoly that can legally oblige its consumers (i.e. taxpayers) to buy the "services" it provides. As a result of this difference in external constraints, it is possible to find within the same culture a business bureaucracy staffed by highly motivated people alongside a government bureaucracy which appears a storehouse for deadwood.

Due to a number of converging causes, then, the monopolistic nature of state services, the difficulty of measuring performance in many public jobs, the influence of Latin American hierarchical values, the political power of state employees, and the weakness and opportunism of political elites—government bureaucracies in Latin America are case studies in human organizational inefficiency.

WEAKENING the efficiency of Latin American government organizations is another infirmity at least as serious as incompetence and indifference—bureaucratic corruption. Corruption is an affliction that takes its toll in virtually every kind of society. What distinguishes corruption in Latin America is its pervasiveness and intensity. The problem, of course, is not uniform throughout the continent: the extent and severity of corruption varies according to the country, the period, the institution, and the individual discussed. The widespread practice of corruption on the part of state officials does not stop with mere thievery, but is also significant because of the way in which they choose to exercise their authority when dealing

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directly with vulnerable human beings. The misuse of state power to abuse the weak is, of course, hardly a phenomenon restricted to any one particular culture, but such behaviour is especially likely to occur among government bureaucrats who are motivated by hierarchical concerns of prestige. The Mexican psychologist Francisco Gonzalez Pineda has shed some light on the emotional life of the petty bureaucratic tyrant in his country by singling out a " public servant " representative of many others and following him through a typical working day:

> In the office he [a government inspector] treats his superior with feigned respect although he considers him ill-natured, demanding, inept, and dishonest . . . although he hates him and whispers behind his back; but as it is not to his advantage that his superior realize this, he behaves in an obliging, even servile manner. . . .
>
> It is when he arrives at the inspection site that he encounters his daily moment of glory. . . . Because now the Mexican inspector feels sure of himself, important, powerful. Within himself he feels the same emotions as he does when playing dice, only in the game he is now going to play he will be a sure winner and his thrill consists of not yet knowing *how much.*
>
> Yes, this inspector is important, very important, because a thousand times he had proven to himself that when people see him arrive, they begin to act fearful and servile, or they try to flatter him, or they fall into an exasperated emotional state that resembles the impotence felt by a child. He knows that there is no such thing as a person to be inspected who is innocent; they all are guilty. Thus he feels justified in going through the ritual of fining them, then pardoning all or part of the fine in exchange for some " special arrangement." [72]

Gonzalez Pineda's description illuminates the dilemma, faced by modernization leaders, of whom to entrust with authority when the dominant cultural prestige patterns encourage rather than inhibit bureaucratic abuse of authority. Again it must be emphasized that the severity of the problem varies considerably according to the geographic area, the bureaucratic sector, or the individual in question, so not all Latin American government functionaries who wield power should be identified with the insecure exploiter pictured above. As is to be expected, the problem is most pronounced in regions and situations where people are separated from one another by deep cultural and racial chasms. For example, the onlooker should immediately be alerted to the possible misuse of power when a *mestizo* bureaucrat has been given authority over an Indian citizen in a district where the *mestizo* has been brought up to regard the *indio bruto* (brute Indian) as the " beast closest to man," and the *indio bruto* has been taught to

[72] Francisco Gonzalez Pineda, *El Mexicano: psicologia de su destructividad* (Editorial Pax-Mexico, Mexico, 1968), pp. 80–81.

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approach the *mestizo* with hat pressed close to chest, shoulders stooped, head bowed, and eyes cast humbly to the ground.

LATIN America is commonly regarded by people within and without its perimeters as a continent rife with exploitation. When the familiar ideological image is invoked—of "oligarchies" grinding the "masses" under their heels—what is normally implicitly or explicitly stated is that wealthy elites "exploit" the impoverished masses by means of some form of economic parasitism. This view of exploitation in Latin America is not so much wrong as misleadingly narrow, and because it focuses only on a limited aspect of exploitation, it obscures rather than illuminates the larger problem. When considering exploitation in Latin America, it must be understood that it is not just sectors of the wealthy classes but sectors of the poor that possess the power, and use the power, to exploit the poor.

The implications of this are enormous for those in Latin America who plot and plan revolution in order to rid their society of the abuse of man by man: it means that when the revolution comes and socially parasitic elites are no longer there to "exploit" the masses, the battle against "exploitation" will have only just begun.

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Reflections on the Japanese System

Karel van Wolferen

THE Japanese state becomes elusive when approached with Western organizing ideas and terminology. Things Japanese do not in general lend themselves easily to the stark clean lines of explication demanded of Western analyses, but this is especially true when we turn to matters of authority and power. Moreover, established political notions are insufficient because of the fact that the Japanese maintain a collectivist social order which they accept voluntarily—or at any rate without coercion from their government. Their society is unlike other advanced industrialized societies which have originated the standard questions of Western political science and sociology.

Japanese society represents a case of genuine communalism in which daily demands to subordinate individual desires and interests to those of the community are accepted with apparent equanimity. From this one would naturally expect that the Japanese can demonstrate to us the interesting possibility of a state which differs as much from the forcibly "collectivist" communist states of Eastern Europe as it does from the "capitalist" or "mixed economy" states of the West. That is indeed the case if we can be clear about the use of our terminology in this non-Western context. Whether the Japanese do represent a "third category," unlike anything ever analysed by a thus far relatively ethnocentric West, has become a matter of considerable confusion and controversy. The confusion follows from the great disparity between official reality and real substance in Japan. The controversy is caused less by conflicting evidence than by considerations of Japan as a "Western ally," which has hitherto been treated as a full member of the club of "capitalist free-market" nations—all recent doubts raised by trade conflicts notwithstanding.

One warning quite often implied, sometimes strongly offered in academic literature as well as in the popular press, is that we must resist treating Japan as too special a case. The common belief among Japanese that outsiders will never understand them, and their frequent escapes into their peculiar mythology of racial superiority as a substitute for rational argument in discussions on national attitudes, must partly be responsible for the force of this attitude. It is, of course, difficult to object to the emphasis that the Japanese are human and thus share essentially human traits. In practice, however, many writers of this school tend to throw the baby out with the bath water by ignoring those habits and institutions which cannot be forced, no matter how hard and consistent the attempt, to fit Western patterns of experience. Even when agreeing that Japanese in their heart of

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hearts would much rather look after themselves first instead of after their companies, we are still left with the unanswered question, why don't they follow their inclinations?

A mutually reinforcing closed cycle of heavy psychological dependence and social pressure is part of the answer to this question. It is this significant factor, without even considering any others, that undermines alleged "laws of history" or of "convergence." The endeavour to keep Japan out of a category of its own is often accompanied by contentions which are based on unexamined evolutionist or "environmentalist" premises of the kind which determine, for instance, the proposition that because of the large-scale industrialization of both Kawasaki and Liverpool, these two cities will begin to resemble each other and will have populations who live by essentially identical priorities. This, however, does not seem, after almost a century of industrialization, to be the direction which developments have taken. The assumption underlying much comment on Japan is that the "convergence" will be in a Western direction; that, for instance, after one more slight push Japanese labour unions will begin to resemble Western ones.

Ironically, the Japanese are beginning to fight back and contend that if there is going to be evolution anywhere, it will be in the West. A recent government sponsored publication spells this out, saying that the Japanese form of social and economic management "will become universal in all advanced industrial societies" if these societies wish to follow a rational course of further industrial development.[1] This should not be dismissed as merely amusing. The question whether the West should be moving in a direction towards what Japan is today inevitably arises for visitors who learn that Japan has next to no violent crime, no industrially damaging labour conflicts, and an economic system that seems to weather oil and other crises better than anyone else's.

WHAT the Japanese have wrought resembles in several aspects what Emile Durkheim suggested in the closing chapter of *Suicide* as the remedy for social ills resulting from the passing of the traditional well-integrated community. Can the West adopt elements of this Japanese version of this Durkheimian corporatism? Taking social lessons from Japan has become a legitimate notion to those who think that it would only entail the strengthening and slight adjusting of already existing trends in Western corporate life, particularly as reality in the Western welfare states already widely diverges from the economic and political principles which they profess to hold. Japan has "solved" what are perceived as specific modern-industrial difficulties, without being held back by theoretical considerations of

[1] Nakagawa & Ota, *The Japanese-style Economic System* (Foreign Press Center Publication, 1980).

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what capitalism, the free market, or limitations of state interference, should be.

What follows will, I hope, show that the adoption of parts of the system will most likely not work without the whole Japanese package, and that the costs of that package cannot be paid in the West. An evolution of Western practices in Japanese directions would entail a reproduction of conditions inconceivable as long as social and intellectual freedom are valued.

Concepts such as "capitalism" and "socialism" never have been of much use in the Japanese context. What confuses the matter is the fact that these concepts are widely employed by the Japanese themselves along with the entire gamut of Western political, social, and economic terms, to discuss Japanese society, with the result that the unsuspecting observer is nearly always misled as to how things actually work. To begin with, the common presupposition that Japanese power and the actual right to regulate power are vested in the institutions which the Japanese themselves also claim exist for this purpose, is almost always incorrect and obscures some of the more interesting lessons concerning the variety of the dynamics of power in the world.

IF the state is the ultimate repository and arbiter of power, where in Japan must we look for it? Officially a parliamentary democracy, for which Germany, France, and the United States have at one time or another been the model, legislative power formally resides in the elected bodies of the two houses of the Diet. While not entirely irrelevant, the members of the Diet cannot by any stretch of the imagination be called important arbiters of what is permitted to go on in Japan. The continuously ruling Liberal Democratic Party (which is inaccurately characterized by all three notions contained in its name) has some powerful members, but their power is not of a kind generally identified as power relevant to the running of a state. LDP politicians play negligible roles in the general direction of the economy, which occupies a position of priority. What is in Japan popularly mistaken for the exercise of political power are the personal privileges, the ability to relay requests to the bureaucrats for favours on behalf of lobbying supporters. The most practical influence of the politicians consists of rewarding their constituencies with special building projects and subsidies. But their significance in the legislative process is almost totally ceremonial. Their Diet debates are elaborate democratically reassuring performances that have, with few exceptions, no influence on developments in the country's affairs.

Seated above this weak parliament, the Japanese prime minister has theoretical opportunities to exercise great power. But he could do so in fact only once, as all rival groups in the Diet would combine to bring him down. The power of the prime minister is probably less than that of any head of government in the Western world. During deliberations on the budget he may exert some influence if he is dis-

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posed to take a stand on the recurrent major policy variable, tight or easy credit. But even in this case he is expected more to conciliate rival interests than to initiate policy.

The fate of two prime ministers who in many ways were the most interesting of the post-war period illustrates the limits of Japanese power. Both Takeo Miki and Kakuei Tanaka were for very different reasons considered by other Japanese as non-Japanese in the manner they presided over the government. Miki, who understood the conceptual basis of parliamentary politics, attempted to introduce politics into the Diet. Furthermore, he did not halt the process which led to the arrest and indictment of his predecessor, Tanaka, as a suspect in the Lockheed bribery scandal. Miki had been a compromise choice as prime minister. The critical verdict that "Miki has no inkling of other's feelings" coming from the king-maker, Etsusaburo Shiina, lost him the support of the public and press, and caused the warring Fukuda and Ohira (both later premiers) to declare a truce in their feud in order to unseat him.

Whereas Miki tried to exercise power through the application of political principle, Tanaka tried it with money. He used his own fortune to bribe bureaucrats systematically for speedy execution of favourite projects. Unlike his attempts virtually to buy the country in Upper House elections this never became publicly known. But the ensuing emnity with powerful bureaucrats for bypassing them became an important stimulus behind the intra-LDP conspiracy to unseat him. (Tanaka continues to be an uncertain factor. He is currently on trial and not officially a member of the LDP. Both the late premier Ohira and the incumbent Suzuki owe their selection to Tanaka's influence, and all the candidates for the succession know they have little chance without his consent and support.)

THE political "opposition" in Japan does not function as a loyal opposition, but plays a role which is best compared to that of the chorus in a Greek tragedy. Their monotonous comments on the sad state of the Japanese nation and lamentations on what they see as the execrable and corrupt behaviour of the LDP are ritualistic and harmless. They are actually not called "opposition" but *yato* or "outside" parties, and they know that "outside" is their proper station in the scheme of things. Except for the Komeito and a couple of LDP-like splinters, the remaining *yato* group (mainly composed of Japanese-style doctrinaire Marxists) would not in actual fact welcome the opportunity to form a government. And even if, in the very unlikely event of their gaining a majority, they had to, such a government consisting of unreconstructed Japanese socialists would not be tolerated by the rest of the system.

The substance of "political analysis" in the Japanese press is for the greater part a running commentary and speculation concerning the never-ending power struggle amongst the *habatsu* (cliques), of

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which the LDP is in fact a coalition. The only political crises in Japan are the intensifications of this power struggle. They can quite aptly be compared to instalments of a Japanese *homudorama* (homedrama): television serials on, among other subjects, samurai history and fiction whose themes, revolving around loyalty and betrayal, they markedly resemble.

IS the power of the Japanese state then concentrated in the bureaucracy? It is tempting to conclude this, and quite a number of experienced observers have implicitly done so. In the normal day's work of governing Japan, groups of officials, especially those of the Ministries of Finance, International Trade and Industry, and Construction and of the Central Bank have relatively much power, more than they are formally authorized to exercise, they restrain, control, and provide spurs for the economy. Many LDP members have entered politics after a career in the bureaucracy. Bureaucratic power in Japan is, however, not kept in check by members of parliament. Although the Diet is immune from criticism by the bureaucrats (whose widely shared ideas about the ignorance and incompetence of the politicians by convention never appear in print) the members of the Diet are only informed to the extent deemed necessary by the bureaucrats. Long-serving Diet members will get fragmentary information from contacts they have cultivated over the years. Even cabinet ministers are often kept in the dark regarding the planning of the departments of which they hold the portfolios, and are generally allowed to do no more than make slight cosmetic "adjustments" of policy.

The bureaucrats draft all laws and typically proceed to use them as tools of leverage. Their laws are nearly always passed automatically, provided the bills do not touch on the emotionally charged areas connected with Japan's as yet undigested militarist past. The bureaucrats thus find their adversaries not among the politicians and rarely among the businessmen, but in rival ministries. An important task for the officials, especially in the middle reaches of a bureau, is to negotiate deals with other bureaucrats.

Although bureaucratic power is relatively strong, bureaucratic jurisdiction is curtailed, regardless of the fact that nobody seems to be able to point out exactly where its parameters lie. The Japanese bureaucrats' main function is to guide and coordinate the economy. They can carry this out unobstructed so long as the top level business managers perceive the bureaucrats' planning as ultimately beneficial to business. State intervention in the economy has never been a matter of controversy in Japan. It need not combat a tradition of liberalist capitalism, and basic rules concerning the freedom of enterprise are not rooted in Japanese economic history. On the contrary, the continuous, and to outsiders seemingly exaggerated, display of concern for the economy by the media and in ordinary conversation has as its underlying rationale the conviction that the government

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would be highly irresponsible if it did not guide the economy as best it can.

WHEN repudiating the notion of "Japan Inc." Japanese official spokesmen sometimes point at Western Europe and contend that since much more industry is nationalized in, for instance, Britain or France, it is in those countries and not in Japan that government and business interests have truly amalgamated. These spokesmen have fallen into the common trap, set for all commentators on Japan, of comparing like with unlike.

If we want to measure the significance of bureaucracies by their size, the Japanese case becomes very murky in the absence of a clear dividing line between the public and private domains. Even in the mixed economies of Western Europe, the private and public elements are recognizably delineated. State interference in the economies of the West can be monitored, singled out for praise or protest if need be, and administered in measurable doses. Japanese bureaucratic participation is, in an inimitable Japanese way, analytically intractable. A dichotomy used and understood by all Japanese may serve to illustrate the difference. Western ways and manners are "dry" or "hard," those of Japan are "wet" and "soft." Unlike the Westerners and, for that matter, the Chinese who are dry and hard like individual unconnected grains, the Japanese through their "wetness" and "softness" stick together like glutinous rice.

The mingling of the private and public domains is, however, not an entirely mysterious process. Five practices facilitating bureaucratic participation can be singled out and examined. The Japanese bureaux have extraordinary powers of awarding licences and other permissions for commercial pursuits at their own discretion. The Ministry of International Trade and Industry (MITI) can resort to so-called administrative guidance with which, in the post-war period, it has moulded, hacked, merged, cut, joined, and in other ways shaped industrial sectors to make them collectively fit for optimum performance on the foreign and domestic markets and, related to this, promoted a *de facto* mercantilistic international economic policy. Also the Central Bank and the Ministry of Finance exercise powerful controls, because of the still very great (until recently nearly exclusive) dependence of Japanese corporations on bank loans for capital. By means of binding instructions to the city banks, the Central Bank still allocates the funds for all really big investments, although this practice of "window-guidance" is said to be gradually being phased out.

The bureaucracy furthermore presides over a proliferation of public and semi-public corporations serving all manner of economic-political purposes along with the private bureaucratic interests of providing

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post-retirement sinecures.[2] Deriving funds largely from Japan's postal savings system (the largest financial institution in the non-communist world), the budget for these public policy companies which is not subject to parliamentary approval, allows unnoticed spending in furtherance of specific bureaucratic goals.

Some 300 bureaucrats annually join the business world as directors or senior advisers with corporations they monitored when they were bureaucrats. Since the retirement age is set at a low 55 years, bureaucrats who do not find sinecures in one of the semi-public corporations, will have another 20 years in which they can be useful in helping to ensure "smooth communications" between industry and the ministries or the Central Bank. Called *Amakudari*, or descent from heaven, this is a highly significant method, because familiarity is in Japan almost a requisite for reaching agreement to "adjust" policy. In effectiveness for maintaining the mutual flow of information, the Amakudari bureaucrat supersedes any official channels.

Compared to the Western welfare states where administrative requirements have caused a notoriously swollen bureaucracy, the Japanese official bureaucracy is relatively small and has remained of more or less constant size. But, since the bureaucratic input cannot be extricated from the entire upper region of the economy, such comparison is hardly relevant.

JAPAN is internationally known almost exclusively by the products of its industry and ordinary Japanese people tend to believe that their country is ultimately ruled by the *Zaikai*, the broad circle of top functionaries of big business. A common interpretation of the metaphor, Japan Inc., which pictures both the politicians and bureaucrats as proxies for the business community is, however, incorrect. Japanese corporations do operate in an extremely favourable political climate, but that is because the expansionist aims and most of the means of Japanese economic endeavour are taken for granted by the bureaucracy and the LDP. The extent to which the bureaucracy "guides" corporations varies greatly and depends on current priorities following from very elaborate contingency planning. The very large firms possess private international telex networks and other highly effective instruments of information gathering and they share much of their knowledge about economic developments and prospects anywhere in the world with the bureaucrats, causing the timely sounding of alarms in ministerial corridors.

One must not be led astray or (as often happens) "detect changes" when business executives and government officials who speak the foreigner's language express concern regarding the dangers which the business world perceives in government intervention. The businessman

[2] An extremely useful study of the function and organization of this little known aspect is provided by Chalmers Johnson in *Japan's Public Policy Companies* (American Enterprise Institute for Public Policy Research, Washington, 1978).

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who hints at this is thinking of an irritating excess of bureaucratic snooping and not of any violation of principles of non-intervention. Disparaging language on the subject of bureaucratic meddling is almost as much expected as comments on the weather. But the business community is fully aware that much protection is implied in the special programmes which the bureaucrats work out to direct the future of some sector of industry (most recently that of microprocessors).

If the economic ministries decide that one sector of the economy must be supported and stimulated at the cost of perhaps phasing out other manufacturing segments, the assent of highly-placed industrial managers must be secured. The market is in this context of secondary importance. Company directors have successfully resisted bureaucratic plans for mergers. And the " younger " firms who have recently expanded into giants, especially those in the automobile sector, will almost flaunt their independence from MITI. But this does not change the fact that the relationship between the bureaucratic and the industrial bodies of Japan is interactive to a degree without parallel in the Western world.

The relationship between big business and the politicians is less equally balanced. The politicians have control over business perhaps only to the rather limited extent that they can influence bureaucrats personally. But business has electoral control over the politicians as it supplies them with political funds in general and cash for votes in particular. And, if sufficiently united on the issue, the *Zaikai* leaders can veto the choice of a prime minister (unless, as in the case of Tanaka, he is independently wealthy).

The top industrialists themselves, even the biggest men in the *Zaikai*, are generally not personally very wealthy. They have dedicated themselves to their corporations for other reasons than amassing fortunes. Company presidents regularly give up their positions to become chairmen, as in that function they have the time to devote themselves together with their counterparts to the higher purposes of national economic welfare. They meet at golf-courses, weddings and many other informal gatherings to participate in an ongoing debate which helps formulate Japan's longer range economic goals. The pronouncements of their formal federations, the Keidanren, Nikkeiren, and the Chamber of Commerce are followed attentively by the press. Direct *Zaikai* power over the economic policy of the bureaucrats is exercised by the voices of these organizations which can steer the national (press-sponsored) opinion in desired directions.

THE three groups I have so far mentioned all appear to govern to some extent. To this list several more semi-autonomous power-wielding bodies must be added. A very important one is the press. As independent from the commercial system as any Japanese mainstream institution can be, the newspapers select and interpret events and

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developments in relatively partisan fashion. Because the gigantic dailies conform to each other's attitude, to end up with a well-nigh uniform stance on the issues of the day, the Japanese press functions as an extraordinarily powerful monolith. It is capable of making or breaking cabinets. It can and frequently does swing the *moodo* (popular mood) concerning domestic issues as well as attitudes toward international relations in a decisive way.

There are other legal as well as illegal organizations over which the bureaucracy has limited or no jurisdiction. The immensely rich Japan Medical Association is a good example. The Ishikai (doctor's club) as it is popularly known can prevent the use of medicines and methods of treatment for arbitrary reasons and it protects the racketeering of its members who use the health insurance system for highly lucrative over-medication.

Gangster syndicates run very large-scale protection rackets in the entertainment districts that exist in nearly every locality and are allowed powers of intimidation, as the police (another semi-autonomous body with far-reaching discretionary powers) maintain an unacknowledged symbiotic relationship with them in the interests of keeping crime under organized control.

THE most significant aspect of the Japanese system of power is that it is polycentric. Power is diffused over a number of semi-self-contained, semi-mutually-dependent bodies which are neither responsible to an electorate, nor ultimately subservient to one another. Whilst all these bodies share aspects of government, it is impossible to find one amongst them which gives the others their mandate. Not one holds final responsibility for national policy or can decide national questions in emergencies.

This situation at the top of the system is typical for all levels of Japanese society, down to the work-level groups in the offices of companies, where it is normally difficult to establish who actually is in charge and who is responsible for what. The frustrations of many a failed foreign negotiator, after meeting the umpteenth mediator sent his way, can be summed up in the single scream of " take me to your leader." Japan does not have one.

IN the context of this multi-centred power structure described above, it is difficult to discuss the possible growth or diminution of the role of the state in Japan. It is perhaps not possible to extricate satisfactorily the Japanese state from the Japanese system for purposes of analysis. We could argue that the whole system is political and at the same time argue that very little of what is understood to be politics in the West does in fact take place in it.

The whole complex of mutually attuned organizations, partaking with cog-like coordination in a joint effort with economic expansion as its dominating aim deserves the epithet System with a capital S.

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This seems a more profitable organizing idea than is conveyed by the term state for the purpose of discussing Japanese economic and political life.

THE Japanese System exists without most of its participants being consciously aware of it. It has, of course, no shape or form let alone any justification in the law. Here we arrive at a very interesting and essential characteristic of our subject. Western theories on the state are based on the regulation of power by the creation and enforcement of laws. Japan's constitution and major laws were inspired by, and largely follow, the principles of their Roman/European models. Japanese practice, of course, does not follow these models, and is in some instances actively hostile to those principles. But neither these laws, nor any other written rules, are the agent that binds the Japanese body politic together.

Criminal law and a certain minimum of codified regulations are obviously necessary for preserving public order. Aside from these, Japanese laws seem in daily practice to have significance mainly as instruments of leverage in the exercise of direct bureaucratic power. Officials enjoy much freedom to pick and choose among laws, applying one whenever it seems momentarily expedient, ignoring others when they are inconvenient. For the purpose of economic control the informal directives of "administrative guidance" are even then frequently more binding than these legal instruments.

Conversely, laws are deemed legitimate by the Japanese populace only because they are administered by a class of persons who have traditionally had the right to do so, and not because they conform to any popular sense of justice. The norms and assumptions by which Japanese society does operate are not codified. Courts and lawyers and the possibility for litigation all exist in Japan. But the preference in virtually all cases of civil conflict is for settlements by conciliation, either out of court or at some stage during the process before a judicial verdict is reached. Very few Japanese will resort to litigation and stick it out to the end in order "to see justice done" for its own sake, unless it be "to clear their name."

IF Western democracies relegated laws to where the Japanese have put them, they would be rocked by incessant civil commotion and witness a collapse of the authority structure. As this has clearly not befallen Japan we must suspect the existence of very potent cultural forces indeed to ensure cohesion and prevent the exercise of power from being seen as unacceptably unscrupulous. In order to perceive these forces in a satisfactory perspective we must first, however, dwell on a more general aspect of Japanese culture which, although it is of overriding importance, has been relatively neglected in most writing on the politics of Japan.

If we wish to see the world through Japanese eyes it is essential

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that we try to block out from our minds all conceptions of a moral order, or even an order among things, which is based on universally valid principles. Immutable laws, religious or secular, are alien to Japanese upbringing. The traditions of Confucianism and Buddhism, however much they helped shape Japanese culture, never incorporated into its *Weltanschauung* the transcendental notions inherent in their original teachings. Religious sanctions of social practices were originally based on Shinto nature-worship which is in no way hostile to contradiction and ambiguity. The important moral commands of the spiritual imports from China did not overrule these older sanctions and assumptions. On the contrary; they helped strengthen a system of this-worldly and highly particularistic values supporting a primitive tribal socio-political organization.

The indigenous outgrowths of the three above-mentioned major Japanese spiritual systems and any subsequently introduced belief-system have not had the strength to give the Japanese the intellectual tools to gain leverage over his social environment. Mathematics studied in the Tokugawa period occupied a place akin to that of chess; a game which could not possibly have any bearing on the nature of the universe and Japanese society within it. Modern scientific theory has fared little better since then. Their "reality" must remain divorced from social reality in Japan. The amazingly illogical mystical conclusions drawn by the Nobel Prize winning physicist Hideki Yukawa about his own society are the rule, not an exception.

I do not wish to suggest that Japanese are innately incapable of reasoning along logical lines familiar to Westerners but rather that their society will not reward but may punish them for doing so. The frustrations of a few Japanese friends who have within themselves built a coherent and plausible explanatory framework with which to consider Japanese circumstances, but who by doing so feel they become voices in the wilderness, aptly illustrates this point.

Some Japanese hold a personal sense of *noblesse oblige* as an ultimate value. The important difference with other advanced cultures, however, is that a Japanese cannot appeal to personal ideals of conduct he may hold in order to justify something he may want to do or say which goes against the grain of communal expectations. To see society through Japanese eyes is to imagine that ideas cannot support or protect the individual. Japanese who wish to function in purely Japanese surroundings must give up logic, moral values, philosophical and scientific "truths" as a means of defence or attack. It is tempting to label the Japanese pragmatists, the only problem being that one will be hard put to find a Japanese who would consistently stick to pragmatic considerations and make this a principle.

IT is worth mentioning that although the fact that Japanese have "situational" instead of "general" moral rules and hold "particularistic values" rather than "universalistic" ones is routinely

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noticed in much writing on Japan, this is not used consistently to provide theoretical clues to Japanese behaviour. Perhaps this is because of the difficulty Westerners experience in trying to keep this in mind. Western assumptions supported by earliest child-rearing practices and constantly reaffirmed in later life, leave no question about the existence of an ultimate logic controlling the universe independently of the whims and desires of fellow human beings. It is scarcely less difficult for Western social scientists who either tend implicitly to credit all human beings with the intellectual attainment of ordering their minds in a hierarchy of abstractions controlled by Aristotelian logic or, in view of the materialist bias of much social science, ignore these aspects altogether in favour of more tangible, more reassuringly statistical information.

Japanese political culture will remain unintelligible if we do not at every turn remind ourselves that the possibility of transcendental values is not a part of it. We have already noted the place which laws occupy. One more obvious consequence is that Japan is one country in which revolution is theoretically impossible. The Japanese case could not be farther removed from that of the authority of constitutional interpretations of a Supreme Court in America, or from the tradition of the mutual limiting and questioning of powers between church and state in Europe. Both a Martin Luther who says "here I stand, I can do no other" and a Henry IV kneeling in the snow at Canossa are utterly inconceivable in a Japanese setting.

A GROUP of scholars have pointed out similarities between political institutions, particularly the place of law, in Japan and tsarist Russia:

> ...[both had] virtually no concept of juridical rights directed against the civil authority analogous to those prevalent in the Roman and Germanic legal traditions of Western Europe. In both Japan and Russia customary law rather than written norms provided the chief standards for regulating affairs at all levels. Official regulations were compiled periodically, but less as abstract prescriptions to be applied to all behaviour than as guidelines for state officials to enforce justice in a highly personalistic manner.[3]

The danger of drawing conclusions from comparisons on this concrete and easily verifiable level is illustrated by the entirely different attitudes of intellectuals towards their rulers, as manifested first by the idealistic revolutionaries and currently by the intellectual resistance in Russia and, contrasting with this, the absence of a political "conscience" in Japan before or after 1945.

There exists a vague concept which the average Japanese will advance as the central "principle" on which his society operates.

[3] Cyril Black et al., *The Modernization of Japan and Russia* (New York, London, 1975).

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That is *wa*, which can mean all of the following things: conciliation, appeasement, conformity, gentleness, accord, accommodation, mellowness, moderation, mollification, peace, pliancy, amiability, flexibility, softness, order, unison, compromise, and more along the same lines, Japanese prefer not to translate *wa* in English texts, but if they must, will most likely call it "harmony," habitually adding that foreigners can never understand it. It is the first indigenous political concept which all children are taught in school. Japan's first law-giver, Shotoku Taishi, opened his famous Chinese inspired "constitution" with the admonition "regard *wa* as noble, and non-contrariness as honourable." Prince Shotoku understood the need for *wa* (which he stripped of most of its Confucianist connotations) as well as any Japanese since him. In a time rife with assassinations and battles for the throne he promoted the rituals of Buddhism for political reasons and had to contain the protesting Nativists. Ever since Japan has needed to re-establish schemes for the coexistence of conflicting interests, as all developments of central state authority have ended up by reversing themselves.

Today, prime minister Suzuki has raised *wa* to his personal "political philosophy" and explicitly uses it to characterize his attitude toward the members of his cabinet as well as the minority parties. Recently *wa* increasingly appears in Japanese writing intended to explain Japanese culture to the rest of the world.

A STRICT hierarchical order in every social context, the use of elaborate rituals, and a culturally induced fear of upsetting balances are the Japanese substitutes for personally internalized ethical values and a relevant body of law.

There can be no *wa* without fear of imbalance and concommitant behaviour befitting one's place in life vis-à-vis others. Japanese adjust their conduct in all their affairs to a very great extent according to the impulses which the demeanour and reactions of their fellows provide. One could say that rather than guided by inner computations capable of coping with most contingencies by means of a hierarchy of universally applicable rules and abstractions, the Japanese are more radar-guided. It is especially the surface of things and people that counts. Desirable behaviour consists of living up to the ever subtly changing expectations of one's immediate social environment. Simultaneously, Japanese must by their language and demeanour always, to some extent, help restrain their fellow Japanese. They are alert to what others may be up to.

On a political level, all the organizations with some power are constantly containing the power of others. The balance amongst the components that make up the Japanese System is achieved by continual interference from one or from a combination, so that none will grow so strong and ambitious as to be capable of dominating the rest. There are strong historical incentives for guarding this balancing

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system painstakingly. It evolved from a similar system with inner and outer baronies as members which, in the beginning of the seventeenth century, brought an end to incessant civil wars. In some ways resembling the balance of power among the European states in the eighteenth century, this system was consolidated during two-and-a-half centuries of virtually complete political isolation from the world.

There can be no *wa* without ritual. Since proper guidance for conduct comes largely from outside, the environment may not be capricious. Infringements of the rules of etiquette or failure to sustain the prescribed rituals constitute grave sins. The ceremonial Japanese behaviour noticed abroad is but the tip of an iceberg. In daily situations Japanese must adhere to an etiquette which in its complexity is perhaps equalled only in old-fashioned royal courts. This renders the world outside the inner circle of work-group, family and intimates, almost completely free from unsettling social surprises. In the political realm the ritualistic significance of elections, diet debates, and ceremonial "strikes" by labour are clear. They are likewise in cases of conflict, of which more in a moment.

Lastly, without hierarchy there cannot be *wa*. Japanese people are comfortable with vagueness except regarding "up" or "down" in social relationships. Throughout his life a Japanese is constantly reminded of where he stands with regard to his relatives, schoolmates, fellow employees, and indeed to practically everybody else with whom he comes into contact. Organizations are also formally ranked and their representatives will be met with a display of awareness of the position in life this bestows on them. As a general rule in any steady relationship, those who rank high need not give reasons for what they ask from those beneath them. The senior must, however, demonstrate that he has the best in mind for the junior. Conversely the junior is not inclined to enquire into the why's and wherefore's concerning the instruction he receives or the manner in which he is treated. The subordinate accepts commands as long as the superior has not damaged the subordinate's belief in the benevolence of the motives behind them.

On the level of intimate interpersonal relations such as between mother and child or husband and wife, psychological manipulation substitutes for reasoning out one's attitudes towards the other. Japanese have raised such psychological "games" to a fine art, and it is largely by this method that the weak can learn to assert themselves.

Because there is hardly any contractual organization of relationships in the System, relations are dependent on perceptions of highly personal motives, and smooth relations (*wa*) on a shared sense of trust and confidence in the motives of everyone concerned. This would appear to add up to the much vaunted "consensus" which is supposed to be the agent of cohesion in Japanese politics. In the Western meaning of this term, however, a subtly different idea is conveyed.

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The supposition that Japanese initiate policy collectively is inaccurate. They are reassuringly human in that they also cannot invent by committee. The processes that lead to Japanese-style consensus have a limiting, negative function whereby the members of a group are given the formal opportunity to object to a generally anonymous proposal. When consensus in the Japanese context has been established it means that nobody concerned has found it worth the risk or the trouble to resist what a stronger group wants to happen. Japanese speak of the "dictatorship of the majority" when such face-saving procedure is omitted or has been too short. The distinction is significant for an understanding of the exercise of power in Japan. The strong have justice on their side as long as they do not implement their will brutishly.

The emphasis Japanese place on *wa* should give it away: *wa* is where the shoe pinches. Japanese are obsessed with the idea of harmony because in a half-conscious way they are aware that it is always a very difficult thing to achieve. *Wa* is not consummate harmony, but the continuous display of readiness to sacrifice one's interests for the sake of achieving harmony. Conflict is in Japan largely avoided through social and political mechanisms whereby the weak can give in to the strong without loss of their sense of dignity. Japanese conflicts which are not solved by an exercise in *wa* tend to fester, as there is no possibility of reaching a point where one can agree to disagree. When conflicts lead to outbursts they manifest the pervasive lack of rational communication. This leads to physical violence, also in such unlikely places as the assembly hall of the Diet or in Company boardrooms. But even then, and in further developments, the gestures accompanying the stand-off have become extremely ritualized.

TO sum up in a simple schema: power in the West is masked by invoking principles, in Japan it is masked by the illusion of benevolence. This being the case, and bearing in mind quite comparable forms of social organization among primitive tribes, the question that follows naturally is whether the Japanese need a state? To go one step further, in view of what I have said earlier about the problem of extricating analytically the state from the System, could it be that here, finally, in an unexpected place, we have a state which is actually at some stage of withering away?

The Japanese have an intense sense of the inviolability of all things that make them Japanese and of which they are constantly reminded in their books and newspapers. This also includes a strong sense of the inviolability of their territory. Historically, however, the preservation of their territory required no concept of the state, as the archipelago was left alone—save for one double attempt at invasion by the Mongols. As long as they were left alone the Japanese seemed not to have needed the concept at all—in contrast to the Chinese. *Kokutai* is a Japanese notion that comes closest to an idea the Japanese have

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long shared, which in some way might be interpreted as state. But as with *wa*, no two commentators agree exactly on what *kokutai* means. Because of its mystical connotations it is, however, a very powerful concept. It is all-inclusive. It encompasses all which is essentially Japanese.[4]

BUT the Japanese were not always to be left alone. In the middle of the last century they were forcibly confronted with the Western states, which stimulated them to give thought to being a state. Political theories and ideals arrived together with scientific theories and technology from the West. A central state authority (if not power) was obviously needed and the central position of the emperor was "restored" to serve that purpose. The much admired Meiji oligarchs who organized the rapid catching up with the West which followed have not, however, had any successors of the same stature and responsibility. Still, in the first third of this century there was a period in which the (originally state-sponsored) industries were left in private hands and were more clearly separated from the public sector than today. This period overlaps with so-called Taisho democracy in which the nature of the state was at least debated.

Until the mid-1940s the Japanese state was conspicuous by its diplomacy, its war-making potential, and its armed conflicts with Russia, China, and finally the Western allies. Although who, in fact, was responsible for what happened during that period is a debatable matter, power seemed nevertheless more clearly delineated and more concentrated than it is today.

Since 1945 Japan has not been called upon to act as a political entity. "Japan's approach to the issue of security has been that of an expanding international trading company, not that of a nation state."[5] This not in the least exaggerated remark by one of the more astute observers applies equally to Japanese diplomacy. Recurrent difficulties in finding the proper response to pressures from outside regarding Japan's international political role, its security considerations and its international economic relations, demonstrate the glaring absence of a body that can make statesman-like decisions. The Japanese, of course, need not concern themselves with the international functions of the state because in fact their foreign policy has been carried out by American proxy. It is insufficiently appreciated how extraordinary the Japanese-American relationship is. It encompasses more than promised military protection. It has allowed Japan to deal with countries on the basis of purely economic priorities with scant regard to political consequences.

How Japan fares in the domestic realm of conventional state activity, besides control over the economy, is a short story. Housing

[4] See Chitoshi Yanaga, *Japanese People and Politics* (New York, 1956), pp. 32–3.
[5] Donald C. Hellmann, in Scalapino, ed., *The Foreign Policy of Modern Japan* (University of California, 1977).

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is badly neglected and constitutes one visible area where there is a long way to go before catching up with the West. The fields of medicine and education are open to racketeering, as their regulation by the usual semi-autonomous groups is insufficiently controlled by the ministries and uncontrolled by idealistic principle. Corruption in Japan is legitimized by its systematic perpetration. It is so highly organized and has become so much part of the extra-legal ways of the Japanese System that most citizens or foreign residents do not recognize it for what it is, but accept it as "part of the system."

PUBLICLY Japanese measure "progress" by standards external to themselves. Whilst collectively they have been very conscious of how they look compared with other societies, they have been untroubled by questions of meaning and ultimate purpose. Theories concerning society by Japanese intellectuals who function in a domestic academic setting tend to slide into mystical explanations of the "uniqueness" of Japanese culture. Articulate and non-mythological intellectual positions on the nature of society or the role of the state are rare and certainly never widely agreed on. Considering the fact that social concerns are always paramount in Japan, and to a degree substitute for religion, this is understandable for analysis of society under such circumstances is akin to analysis of the godhead.

Japanese academics and journalists tend to get lost in the maze of imported terminology—the only set they possess—when they depart from the general habit of sticking to the formal meanings of Japan's political and economic institutions. The Japanese are not driven by a nagging urge to solve contradictions. Social investigations remain exercises for their own sake, often utterly removed from recognizable points of reference in actual experience. The Japanese version of the great international debate revolving around the concepts and claims of socialism, capitalism, state-interference, etc., has therefore long ago been frozen into near-ritualistic, sterile, often doctrinaire Marxist positions, repeated *ad infinitum*.

FORCED to think in more practical terms, Japanese economists and businessmen have come up with theories on Japanese "capitalism" which to some extent did serve as a reference in the formative stages of the post-war economy.

The most widely known of these came from the Keizai Doyukai, or Committee for Economic Development. This at one time highly articulate body of intelligent and relatively young post-war executives was formed in 1946 amidst gloomy economic expectations, of which not the least cause was a fledgling but militant labour union movement led by the Communist Party. The Doyukai formulated a list of priorities which amounted to, in the words of one of its founders, Otsuka Banjo, a proposal for "reformed capitalism." In 1956 the Doyukai leadership had developed this programme—which boiled

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down to equal sharing between management and workers—into a declaration which has subsequently become known as the ideological milestone for post-war management. This declaration contended that the Japanese corporation was a public institution, participated in by suppliers, customers and the public as well as the workers and management. A major task for management, therefore, was to create a harmony of interests among all these concerned parties. The thesis went on to emphasize the collective responsibilities of managements from different firms for the overall benefit of the national economy. It warned that if the individual companies each went its own way and did not make this deliberate communal effort, the government would gradually take over to ensure the viability of the economy. This must have been as unequivocal an appeal for a sacrifice of the prerogatives of private enterprise as was ever made by any large group of businessmen.

The Doyukai "ideologists" were then still paying lip-service to the lead of economic freedom as exemplified by the United States. The second half of their declaration decries monopolies and the so-called dual structure, and pleads for fair competition, aims still regularly dusted off and appealed to.

The Doyukai has long lost its former prestige and its statements today convey little else but current platitudes on whatever topical ailment the economy or society is alleged to be suffering from. The "revisionist" declaration on capitalism was the last of such all-encompassing and relevant statements by the business community. If this "ideology" has made a difference in subsequent developments, it is clear that the American inspired sections of it have been ignored to develop a capitalism "reformed" out of all recognition.

IN Japanese "capitalism," the "private" corporations are, like Japanese institutions on every level, semi-autonomous. Most of the large firms belong—with varying degrees of closeness—to conglomerates, which are sometimes recognizable by name, but in other cases not generally visible. Conglomerates have highly diversified industrial companies together with real estate agencies clustering around their banks, insurance firms and the famous trading houses. The entire structure is often tied together by interlocking directorates.

The individual members of such conglomerates are also organized by the industrial sector in overlapping, guild-like, but again strongly hierarchical structures. Obligatory conformity to sets of unwritten rules limits their policy-making options. The collectivity has nearly complete, extra-legal powers to carry out implied threats in case individual members adopt strategies demonstrating they do not know their place. Extreme sanctions are rare, as the slightest sign of displeasure occasioned by an infringement of the unspoken rules is generally heeded.

The awesome combination of intertwined hierarchies nourishes a

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myriad of subcontractor firms decreasing in size to small sweatshops. On that level, one may still find whole families who work a 10-hour day.

It is in this sub-level of Japan's often discussed "dual structure" that one is reminded of "capitalism." These small enterprises are still run by enterpreneurs who compete and carry formidable risks. They are, however, only to a limited extent dependent on the market. Their chief function is to provide what amounts to cheap labour to the firms higher up in the hierarchy. They serve as a shock-absorbing cushion in periods of economic downturn and help explain Japan's relatively high bankruptcy rate.

Mutual dependence and cartel-formation have rendered competition on the Japanese market a highly controllable and much-controlled affair. The capital-market is even more controlled. Formally, Japan's mainstream corporations are joint-stock companies. This has not, however, led to a thriving capital market. Industrial capital in Japan has always been raised by banks rather than by the sale of equity shares. This formula of high debt-low equity has been significant for Japan's rapid expansion policies, and simultaneously has resulted in the irrelevance of outside stockholders in corporate management.

This fits in with the tradition of the separation of ownership and management which goes back to long before the war when the Zaibatsu families hired so-called *banto*, professional managers, to manage the components of their conglomerates. The disbandment of the Zaibatsu ordered by the American occupation authorities has caused ownership to become almost invisible or to pass out of existence as a relevant factor. Some big firms still run by strong entrepreneurial leaders are, in fact, considered as existing more or less on the margin of mainstream economic life.

The apotheosis of the manager in Japanese industry and commerce has led to the almost complete bureaucratization of the large enterprises. One more factor stimulating this bureaucratization is the unfree labour market. Except among the subcontractors there is hardly any mobility of employees between firms. Those who have the right to what has become known as life-time employment (up to one's 55th year) will not throw away the advantages this brings by transferring to a strange environment where he has to start all over again to earn his seniority. And vice versa, firms will only in exceptional circumstances welcome workers who have left an earlier place of employment and may, therefore, be less dedicated than they should be.

THE weakness of the capital-market and the labour-market, the relative unimportance of the market mechanism generally, plus the strong and consistent government guidance in the development of the Japanese economy has naturally raised the question whether Japan cannot more profitably be compared to the centrally planned economies of the communist world.

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Some commentators have found this comparison tempting and bureaucrats from the Foreign Ministry have been trying lately to counter this impression. However, although the Japanese System does work effectively, it does not have a power centre to do its planning. This has always been the flaw in the metaphor of Japan Inc., which envisaged something like a board of directors in a smoke-filled room plotting Japan's economic conquest of the world. Japanese group-life is by its nature conspiratorial. But many tiny conspiracies do not necessarily add up to one big one.

The absence of strong leadership at the top is an aspect of the bureaucratized System of Japan which contradicts certain Western assumptions of the dynamics of bureaucracy. The Meiji oligarchs who set out to turn Japan into a state "living up to international expectations" (which is what their motives boil down to) had personally more power and far more detailed plans than did the post-war economic bureaucrats whose simple formula was to expand market share through economies of scale, leaving actual direction and larger purpose undecided. The System today is not an oligarchy comparable to that of the Meiji period. Bureaucratic power has increased relative to that of other organizations since the first half of this century, but it has simultaneously become difficult to differentiate this power from that of the firms which in bureaucratic organization and attitudes have become almost indistinguishable. Japanese experience in this disproves the well-known "iron law of oligarchy" of Robert Michels which holds that "the increase in the power of the leaders is directly proportional to the extension of the organization." The Japanese elite has neither gained power, nor become more indispensable as informed leaders, which is what Michels expected to be the result of increased bureaucratization. It is a very significant aspect of the System that all leaders of its components could be replaced simultaneously without this making any difference to its functioning, or to the policies it pursues.

THE diffusion of power, in combination with the situation resulting from the absence of a tradition of appealing to universalistic principles, make possible the peaceful co-option by the System of every major and most minor social elements, thereby freeing Japanese society from the tensions and disruptions which in the Western world are commonly considered the inevitable consequence of industrialized living.

The obvious advantage Japan enjoys for the defusion of social tension is the absence of an implacable urge to reconcile reality with theory. Not prevented by a tradition enjoining him to "be true to himself," the Japanese may "believe" one thing and "do" quite another. Japanese may have adopted Western political institutions and ideals, but they retain the moral possibility of using these imported concepts and beliefs as tools for some extraneous end, without

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becoming "contaminated" by them to the extent that they become part of an internalized belief which would not tolerate incompatible contentions. If one is not bothered by ultimate ordering principles, then no hypothesis which might be expedient need be excluded. One corollary of this fact is that Japanese are allowed to pretend without the fear of being chided for dishonesty. The discrepancy between formal reality and substantive reality is, of course, something different from the ubiquitous gap everywhere in the world between model and reality. It is an institutionalized discrepancy and a highly functional one at that. It leaves much room for manoeuvring in political discussion. Conflicts may often be defused or solved by the agile shifting of frames of reference that are possible in Japanese-style debates.

This manoeuvring is one of the ways by which the higher-ranking or the strong claim their privileges. It happens very often that when Japanese attempt a rational defence of a claim this will be countered by arguments belonging to a different frame of reference, and at that point the exchange will simply come to rest. In international contact such tactics sometimes bring logically reasoning Westerners to the edge of exasperation and the conclusion that arguing with Japanese is simply impossible. For instance, if a Western businessman or government representative appeals to a contract, a law, or an international agreement, he may hear from his Japanese counterpart that in Japanese society one is not solely guided by cold rules on lifeless paper, but rather by warm human feelings determined afresh on every separate occasion. But when the foreigner, at the next opportunity, appeals to this extra-legal tradition, for instance by urging bureaucratic intervention in a trade problem, he should not be surprised to hear that this is impossible in democratic Japan which, he should understand, is after all governed by laws. The mechanics of submission and domination in the typical Japanese setting are intimately bound up with the possibility of being unreasonable and seeming reasonable at the same time. It reaches its ultimate manifestation in the manner with which the Zen master frustrates the pupil by unintelligible answers until the pupil ceases all intellectual defence and submits to the master's purely arbitrary authority.

THERE has never been sustained ecclesiastical, familial, and academic competition within the self-balancing Japanese System after its consolidation in the Tokugawa period. "Irreconcilable principles" were never any problem in Japanese history. Comparison with China is enlightening. China did have a central authority. A monumental administrative system of mandarins, with the emperor at its centre and radiating out from the capital, constituted the state. But state authority had to co-exist with an entirely different social organization, that of the Chinese family clans. The two systems did not balance, but existed in a state of tension which regularly led to con-

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flict. In China the body politic and the social hierarchy were separate; in Japan they are congruent.

Antagonists to authority were and still are either quickly rendered harmless and forgotten or, when their number precludes ignoring them, they are quite naturally incorporated as a functioning part of the balancing-system. Contemporary gangsters are a perfect example. The police will visit gang headquarters to find out whether members have been ostracized, and then pick them up. Both parties are served: there will be no revengeful lone-wolf criminals roaming the streets. The unwritten rules of the System hold that gangsters may run protection rackets, prostitution, etc., but are forbidden to deal in weapons and hard drugs, and may not coalesce their federations into one nation-wide syndicate. Interesting are current developments concerning the Sokaiya, a new breed of extortionist gangsters. The Sokaiya have discovered that by buying one share in a company, and with that, the right to participate in the irrelevant formal stockholders meetings, they can threaten to disrupt these ritualistic affairs. Enormous sums change hands through this discovery. But it has already become of partial benefit to the System. The Sokaiya will refrain from exploiting more vulnerable segments of society and the corporations try to reduce the "dirt" which the Sokaiya dig up by keeping their practices more honest.

TWO types of legal organizations in the fields of labour and education, which might elsewhere be presumed to be potentially antagonistic to established practices, also aid in the smooth functioning of the System.

The development of Japan's post-war economic system would not have been possible if a labour movement antagonistic to the purposes of the industrial conglomerates had been allowed to gain purchase over the workers. Japan's early post-war communist guided labour movement, encouraged by the American occupation, was deliberately crushed, with American consent, in the 1950s. Except for the seamen, the national railwaymen, and some other national employees, there are today only management-supported company unions which more often than not actively participate in campaigns to maximize production. The relatively large body of seasonal and temporary workers which would benefit most from worker protection cannot join unions as they do not belong in the lifetime-employment category.

THE educational system and its relationship to the economic-bureaucratic hierarchy provides a superb example of organizational symbiosis. After puberty, the emphasis in Japanese education is less on education than on qualifying for as high an entry into the System as possible. Schools each have their well-publicized ranked station in the so-called escalator system which feeds incipient salarymen and bureaucrats into the variously ranked firms. One may find

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five-year-old children who get private tuition to qualify for a kindergarten famous for its successful candidates for highly reputed elementary schools, whose reputation in turn depends on their statistics of delivering pupils to high-ranking middle and high-schools. The latter are the proper spring-boards for the most important hurdle in a salaryman's entire career: acceptance by one of the universities from which the bureaucracy and the very big firms recruit. All this is accompanied by what in Japan is widely decried as "Examination Hell" exacting a yearly toll of child-suicides. The thus extensively pre-sorted "members" of Japanese corporations will maintain contact with some former classmates who may be of value to the company through their positions in other parts of the System. The Japanese old-boys' network is incomparably more significant than anywhere in the West. The importance of non-contractual and extra-legal ties in Japanese corporate and bureaucratic life has given this finely woven network the function of a nervous system. Within conglomerates, communication is heightened by informal groupings often based on previous schooling. Together with the *amakudari* (bureaucrats moved into business) the old-boys' network enables important information to reach relevant segments dispersed in the whole System literally within minutes.

THE Japanese experience strikes at the heart of a major concern in Western social and political philosophy: that of the relationship between the individual and a social organization which must limit individual freedom to be meaningful. The search for community has been ubiquitous in social thought ever since the breakdown of pre-industrial social organization that led to a sense of deprivation concerning the meaning and purpose of social life. One of the suggested solutions to this problem took the form of corporate organizations as intermediaries between the lonely individual and the impersonal distant state. Durkheim suggested that these occupational groups or corporations be a "moral environment," a "definite and recognized organ of our public life," with the function "to preside over the disputes constantly arising between the branches of the same occupation, to fix conditions . . . with which contracts must agree to be valid." Durkheim's idea of setting up "a cluster of collective forces outside the State," influenced the revolutionary syndicalism of George Sorel, who enthused about spontaneous and instinctive cooperation instead of dependence on contracts and laws. This was the soil in which corporatist fascist theories were rooted.

In the 1930s, some Japanese intellectuals were aware of such theories, especially those propounded by Mussolini, Dino Grandi, and the group around them. The group known as Showa Kenkyukai, and individuals such as Kita Ikki, Araki Sadao and others, thought that the answer to Japan's problems could be found in Western collectivist theories. These were, of course, not at variance with the official

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Japanist ideology of the day, the "Kokutai no Hongi," which represented an intensification of Japanese collectivist tradition and was replete with images like "one hundred million hearts beating as one." The Japanese "fascist" intellectuals were not merely interested in strengthening traditional collectivist modes of living. They were, not unlike their Western counterparts, responding to the problems caused by social disruption due to urbanization and industrialization, an emerging labour movement, chaotic politics, and so on. They were contemplating a more suitable political system which did not have to rely on the uncontrollable capitalist market forces which they saw as alien to Japan.[6]

Although this thinking must have seeped through to the bureaucrats who in their economic experimenting with Manchukuo were learning the lessons which they applied after 1945 in launching Japan's post-war economic system, it is unlikely that these theories have had much influence in helping to shape the present System. But it is remarkable that something quite similar to those corporatist ideas has become, albeit unacknowledged, a practical success.

IN the West there is renewed interest in ill-defined corporatist theories as the shape of things to come, and in this light the Japanese case becomes more than merely casually interesting. Before drawing hasty conclusions about any similarity with the incipient collectivism of Organization Man and with an allegedly evolving Western corporatism (as manifested in competition with the authority of the state by labour unions, multinational corporations and so on), we must take a yet closer look at the relationship between the individual and his community in Japan.

It is highly unlikely that the organizing principles in Japanese society can be duplicated in the West, or anywhere else like, for instance, China. The Chinese comparison is profitable, for the two countries share to some extent Confucianist notions regarding the family, and the concept "family" is conveyed by the same Chinese ideogram (a pig under a roof). In Japan, where this ideogram is read "*ie*," the grouping it denoted was not, as it was in China, determined by blood-ties but rather by shared work. Of course, the family as defined by kinship would overlap with the economic unit which the *ie* represented, but the distinction becomes abundantly clear when considering Japanese and Chinese practices with respect to the succession of family-heads by adoption. The difference is also made very clear by the fact that maids, farmhands, etc., in Japan were part of the *ie*, and family members who had left the common roof were not. In the case of the Chinese, generations of separation by, for example, the Pacific Ocean would not alter a deeply felt sense of membership in the family.

[6] See Peter Duus & Daniel Okamoto, "Fascism and the History of Pre-War Japan: The Failure of a Concept," *Journal of Asian Studies*, Nov. 1979.

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As industrialization progressed, Chinese found employment outside the family in impersonal work-places, just like Westerners had done a century or so earlier. The work function was separated from the family unit. But in Japan (after a period of transition between the Meiji Period and the Second World War) we have ended up with a situation in which the family function can be said to have been separated from the work unit. As the shared task has always been of greater significance than kinship in determining the *ie*, today's work groups in the large corporations rather than the modern "nuclear families" are the organizations closest to the old *ie*, i.e. economic and political households.

The Japanese firm, bureau, political party, etc., expects primary devotion from its "members." When rare conflicts arise between loyalty to the work unit and the claims of wives or other relatives they are usually resolved in favour of the work unit. In China, conflicts between the demands of the post-*1949* artificially collectivist state and devotion to the family have often been reported. The Chinese communists, notably during the Great Leap Forward, have attempted to establish precisely such attitudes, whereby personal and familial interests are voluntarily sacrificed for the sake of communal economic pursuit, as the Japanese have long maintained without government prodding.

THE Japanese "salaryman" is not a "member" of an important organization in which he feels lost and for which sacrifice of his private interests appears to have no meaning. He is a member, first and foremost, of a work-level group which competes with other work-level groups for better performance and thereby pride of status. George Simmel, whose thoughts on the relation of individuality and social organization are very relevant to the Japanese experience, relates the degree of individual differentiation to the size of the social group. The larger the body one "belongs" to, the more individualistic one is likely to be. Small groups, demanding a high degree of conformity from their members, tend to be more differentiated as groups. Members partake of this group individualism accordingly and thus strengthen their own group-based identity. The universal applicability of this rule is well illustrated by the common observation that none are as conformist as the non-conformists.

The internal competition among groups can become quite virulent. Japanese are familiar with the terms "excessive competition" and "group egoism" (both of which can also apply to the competition for market share among companies). But the Japanese System has resorted to magnificent balancing mechanisms to guard against internal tension. Individual corporations weaken their own work-level groups by artificially distinguishing themselves from other corporations. A ubiquitous method for this is the company "philosophy." After a tour of Japanese factories one will end up with stacks of

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booklets and pamphlets setting out the special wisdom and traditions of each company, all strung together with pieties concerning general welfare and often world peace thrown in as well. I know one large but relatively new company which has established its company identity by painting yellow all its buildings, corridors, offices, letter heads and so on.

What has been discussed so far must ultimately come to the question of freedom. The average Japanese city dweller has not gained the freedom that has followed in the West from discarding the shackles of rural communal life. But this also means that he has not had to face the essential dilemma of individual freedom which helps spur Westerners in their quest for substitutes for a "world they have lost." "Individual freedom is freedom that is limited by individuality" writes George Simmel.

> Out of the uniqueness of the individual's being, there arises a corresponding uniqueness of that which can complement and free him, a specifity of needs whose correlate is the availability of the largest possible circle of possible selections, since as one's wishes and inner drives become more individual, it becomes that much less likely that they will find satisfaction in a narrowly bounded domain.[7]

This paradox of freedom which lies at the roots of the inchoate yearnings compounding Western social dissatisfaction, the Japanese have escaped. Industrialization and urbanization have not plunged the modern Japanese into a world in which freedom of choice is so vast that it has become terrifying.

AN entertaining and instructive pastime is to imagine what various Western authors sensitive to these issues would have written had they come to Japan. George Orwell would have been absolutely horrified. Eric Berne would have had perverse excitement over the discoveries of so many more "games" by which people manipulate each other. Abraham Maslow and Jean Piaget would conclude that either their theories were not applicable for all mankind, or that collectively the Japanese never reach psychological maturity. And F. A. Hayek would without a doubt be forced to conclude that here he had arrived at the end of the Road to Serfdom.

These authors have all been inspired and intellectually nourished by the ideal images of human freedom which permeate Western culture. The more one is steeped in these ideals, the more abhorrent the Japanese System will be, because the System helps perpetuate a culture which actively obstructs the maturation of the individual person by Western definitions. A full explanation must take account of the psychology of the dependence of Japanese, for which there is

[7] George Simmel, *Group Expansion and the Development of Individuality* (translated by Richard Albares, 1908).

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no place here, but on which subject a rich literature exists.[8] Suffice to say that the urge to gain a measure of intellectual leverage over one's social surroundings and by which one differentiates oneself from others is frustrated by a manner of upbringing which deprives the child of such intellectual handholds as he needs to hoist himself out of the constricting bonds of psychological dependence on others.

The authority that binds the Japanese is seldom harsh and painful, or even focused. It is all-pervading, ever-present, soft, warm, and "wet," sticky. It is motherly, and is a scarcely changed continuation of its first manifestation in the exercise of motherhood. Motherhood in Japan is of a peculiar kind; with no holds barred, giving the impression that the thought that one day the child may have to stand on its own feet never occurs to anyone. The change to membership in the System does not entail an essential break for the adult Japanese, since the confines of the company group are motherly confines. Society is not only first and foremost, but in many cases completely, the rather limited circle of intimates at the company and his family, plus perhaps some former classmates. Beyond that the society to which he is sensitive consists of the relatively narrow ring of half strangers beyond, with whom he must deal professionally. Devotion to or even membership of organizations other than his company is rare and frowned upon.

Under these circumstances, with a virtual prohibition placed on participation in circles or clubs which could compete for the loyalty to the company, the question of the legitimacy of the state becomes a different one from that in the West or, indeed, anywhere else. Japanese leftist intellectuals automatically question the legitimacy of the state as the servant of "monopoly capitalism." Public despair about such things binds them together in groups which are highly functional in the System as they help ritualize emotional dissent. Secular authority, however, is by definition legitimate to almost all Japanese because the Confucianism in their tradition tells them that it constitutes a moral force. In China, the ruler could conceivably face withdrawal of the Mandate of Heaven if he failed in his duties towards the people. In Japan there was no such ruler and, therefore, no such test of his legitimacy. The Confucian injunction that highly placed persons must display sincerity towards those below has, in the Japanese context, been mixed with the need to display benevolence. But when Japan's formal rulers demonstrably do not live up to these virtues, it causes no doubts about the legitimacy of the System. Big corruption scandals may cause selective indignation in the press, but leave the public largely unconcerned. Japanese accept and are capable of an extraordinary cynicism to a degree which in the West would lead to total

[8] The best analyses can be found in Takeo Doi, *The Anatomy of Dependence* (Tokyo, 1973); and in various essays by George A. DeVos in *Socialization for Achievement* (University of California, 1973).

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political apathy. But the formal government does not actually matter in this context and, unlike South Korea, China, and Vietnam (also Confucianist), legitimacy is not an issue in Japan.

When there is in fact no clearly defined central power the question of legitimacy does not become acute. The System is legitimate because it is there, it exists all around, it is vague and diffuse. For the average Japanese who does not trespass criminal, traffic or tax laws, the legitimacy of power means the legitimacy of his group, which is no more to be questioned than the legitimacy of one's mother.

THERE is no indication that the Japanese will in the foreseeable future insist on using the instruments of parliamentary democracy, which they do possess, to establish an effective centre of power vested in an elected body of representatives. I have heard theories for the past 20 years of generational and other changes which will transform the System, and I have become suspicious of them. One could argue the opposite case and speak of further consolidation caused by an increased psychological dependency of the young.

What of the global perspectives of this eccentric industrial power? The international viability of the Japanese System has not been adequately tested because of the extraordinary relationship with the United States. Long-term international conflict appears to have become a distinct possibility, as the Japanese System, exclusive and isolated as it must be, is incapable of formulating long-range policies to operate effectively in an international context. Tokyo evades the foreign questions which are asked concerning Japan's international political and economic intentions as there is no one with the authority to answer them. To smooth ruffled feathers in international diplomacy and concerning the ever-changing but seemingly inescapable trade conflicts, Japan tends to create expectations on the part of foreign governments which are not fulfilled. Judging from comment in newspapers and elsewhere, Japan has been "on the crossroads" now for a dozen or more years, all this time filled with "new awareness" of the larger, more responsible international role it must play. The unwarranted expectations of Japan's putative Western political allies which are encouraged by Japan could eventually lead, for instance, to protectionist measures against Japanese goods for punitive as much as economic reasons. Japanese bureaucrats appear not to have realized sufficiently that frustrated expectations, the fuel for revolutions within a state, can be the most explosive of driving forces in international relations.

The possibility must be considered that the Japanese System may yet go through another permutation caused in part by an acute sense of being confronted by a hostile world. Such a spasm could conceivably bring a determined group atypically to gather power to itself and plot a course for the country. The Japanese bureaucracy which

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cannot by itself cope effectively and responsibly with external problems, would be as Max Weber remarked about all bureaucracies, the willing servant of anyone with the determination to control it.

IF only for the sake of avoiding undesirable political developments, a plea for more sophisticated theoretical instruments to help cope with Japanese reality would seem to be in order; which brings us back to the question raised by this symposium. Standard intellectual positions regarding politics and common economic theories employed in the West not only fail to help but in fact frequently obstruct the gaining of insight into the workings of the Japanese nation and its possible range of motives. An emphatic reminder is necessary that this fact is not at all immediately clear since, as we have seen, Japanese scholars, journalists and negotiators themselves refer to the familiar Western terminology.

Japan's status as the free world's second largest economic power, whose commercial impact is felt almost everywhere, is in itself enough reason to ask that political theory should find the categories by which the Japanese experience can be encompassed. Theoretical advance would be timely as it would help avoid the present waste of much intellectual energy. The questions asked by the average Westerner who deals with Japan and who cannot rely on a tacit understanding derived from years of direct experience are often astonishingly trivial or beside the point.[9] The projecting of Western types of motivation on to Japanese conduct, be it on a personal or national level is the rule, not the exception, and much current comment tends, to an astonishing degree, to speak of what the Japanese will do or ought to do as if they were Westerners beneath their Japanese demeanour.

Scholars of Japanese studies have, with a few notable exceptions, not been of much help. If the theories of the generalists have not been general enough, the specialist writing by Japanologists has failed to incorporate essential knowledge of Japan into a pertinent general view of the country. A further complicating factor has been that the hesitation to commit observations to paper which by Western standards of value imply negative judgments has led to not so much a polite but a generally euphemistic treatment of Japan. There is sometimes considerable discrepancy between what experienced observers will state privately and what they write.

[9] A recent example of questions asked by scholars which—regardless of the correctness of the answers—do not result in analysis that is to the point can be found in an essay on Japan's defence by Gerald L. Curtis in *Foreign Affairs* (Spring 1981). Curtis goes into the standard but quite irrelevant questions such as the prospects at the polls for the LDP. He comes close to but veers away from contemplating the limits of responsibility within the Japanese System, bypassing the crucial question of how the System could avoid disequilibrium by coping with a strengthened military element whose biggest problem is perhaps that it is leaderless, and not under clear control of another body of power.

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The absence of room for Japanese specificity on the higher levels of abstraction underlying common Western political thinking demonstrates the essential parochialism of this thinking. By holding on to its standard categories one helps prolong an international comedy of conceptual errors.

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Pyotr Masherov and the Soviet Leadership: A Study in Kremlinology

Amy W. Knight

WITH the advent of the Brezhnev era, the kremlinological method of analyzing Soviet politics gradually lost its appeal among Western scholars, who have concentrated their attention on more "scientific" approaches to their discipline. Kremlinology has been criticized for being too speculative and for focusing too narrowly on personalities and power struggles, while neglecting the important role of bureaucratic and functional interests in the Soviet decision-making process. Many experts have assumed that there is a high degree of consensus within the Soviet ruling elite, and that, when conflicting points of view or attacks on certain policies appear in the Soviet press, they do not reflect serious disagreement. It has even been said that differences in the statements of the top leaders are "to a significant extent determined simply by their functional responsibilities." [1] The image of unity and stability put forward by the Brezhnev regime has—at least until very recently—reinforced this view. The Brezhnev style of leadership, closed and seemingly invariable, has contrasted sharply with the more turbulent times of Khrushchev, who seemed to offer the kremlinologist greater scope for analysis.[2]

No matter how much agreement there appears to be within the leadership at a given time, however, it is important not to lose sight of the crucial fact that the Soviet system still lacks a stable and generally accepted set of procedures for resolving internal disputes and for allocating power. Even if a conflict is strictly concerned with a specific policy issue, the outcome of the debate clearly affects the status of the various leaders involved. Thus, the alignment of power is always an important consideration among Soviet leaders when they are engaged in decision-making.[3] Three years before the fall of Khrushchev,

[1] Dimitri K. Simes, "The Soviet Invasion of Czechoslovakia and the Limits of Kremlinology," *Studies in Comparative Communism*, Vol. VII, Nos. 1 & 2; Spring–Summer, 1975, pp. 174–82 (p. 180).

[2] William Hyland noted in a recent article: "One of the casualties of the prolongation of the Brezhnev era has been a decline in the art of kremlinology. Faced with what seemed to be a fairly stable Soviet leadership, students of the Soviet scene have gradually strayed off into the more alluring fields of behavioural sciences, generational change, nationality problems, military doctrine, etc." See, William G. Hyland, "*Kto Kogo* in the Kremlin," *Problems of Communism*, Vol. XXXI, Jan.–Feb. 1982, pp. 17–26 (p. 17).

[3] One Western expert says: "Soviet factions display little long-term commitment to issues as such. They are inclined to advocate certain policies only as long as they are

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Robert Conquest had this to say about the "non-conflict approach" to Soviet politics: "To assume that harmony now prevails among the Soviet leadership would be to assume that a very extraordinary change had taken place in the system . . . I have seen the assumption that stability has been achieved at last and that a collective leadership based on mutual restraint has finally emerged, put forward after the death of Stalin, after the fall of Beria, at the time of the 20th Congress, and at almost every other critical point in recent Soviet history. . . ." [4] Soviet leaders have a vested interest in concealing their disputes from the outside world. Is it not possible that our views about the unity and stability of the Soviet leadership have been partly a reflection of its greater success, as compared with the Khrushchev regime, at keeping its internal conflicts secret?

SINCE many Western scholars have become convinced that power struggles in the Kremlin are a thing of the past, they have tended to accept at face value much of what the Soviet leadership says about itself and hence to ignore important kremlinological evidence, which, though expressed more subtly than in previous periods, continues to appear. Despite the demand for Party discipline and "democratic centralism," members of the ruling elite still need to communicate their positions to low echelons of the Party apparatus as a means of gaining or maintaining support. They do this by means of veiled messages and esoteric signs that can be gleaned from a careful scrutiny of the Soviet press. As the following analysis of the career of Pyotr Masherov shows, this evidence can provide unique insights into Soviet politics.

Pyotr Masherov, who died in October 1980, was First Secretary of the Belorussian Communist Party and a Candidate Member of the CPSU Politburo. He was an ambitious and dynamic Party figure who had risen to the highest post of the republic's Party apparatus at the age of only 47, and who, after fifteen years in that post, probably had aspirations for a future position in Moscow. When *Pravda* announced that he had died in a car accident, at first glance there seemed to be nothing unusual about the circumstances. Masherov was accorded the traditional accolades, and several weeks later a bust of him was erected in his home town. Yet a close scrutiny of his career and the developments that preceded his death indicates that he was in serious political trouble when he died and raises important questions about the nature of the Soviet regime.

competing with rival groups that propagate a different approach." See Uri Ra'anan, "Soviet Decision-Making and International Relations," *Problems of Communism*, Vol. XXIX, Nov.–Dec. 1980, pp. 41–47 (p. 43).

[4] Robert Conquest, "After the Fall: Some Lessons," *Problems of Communism*, Vol. XIV, Jan.–Feb. 1965, pp. 17–21 (p. 18).

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MASHEROV was born in 1918 into a peasant family in the Vitebsk region of Belorussia. He graduated from a teacher-training college in Vitebsk in 1939, and then taught in secondary school until the war broke out. He began his career in the Communist Party by joining the partisan movement, which was established in Belorussia following the German invasion. After commanding a partisan detachment and later being a brigade commissar, Masherov became a leading organizer of the underground movement among *Komsomol* groups. He was awarded the title "Hero of the Soviet Union" in 1944 for his heroic activities in the partisan movement.[5]

In Belorussia, and in the Ukraine, where anti-Soviet sentiment was high, the partisan movement was used, not only to fight the German occupation, but also to establish firm Communist Party control over the local population. Thus, in the autumn of 1941, the direction of the movement was placed, not in the hands of the Red Army, but under the jurisdiction of the CPSU Central Committee. (In 1942, the Belorussian leader P. K. Ponomarenko was installed at the head of the movement.) Given their dual functions, the partisans were unpopular with large segments of the local population, particularly since they had close connections with the NKVD. The latter was co-sponsor of the initial territorial partisan organization and its officers took an active role in the movement.[6] According to some reports, the partisans were ruthless with the peasants, whose villages were raided and food confiscated. Whatever their local unpopularity, however, the partisans proved their loyalty to the Soviet regime by establishing communist control in Belorussia, and many of them, including Masherov, were rewarded for their services by being given important Party positions in the years after the war. The Belorussians who fought together in the communist underground—and in several cases had leading roles in the *Komsomol*—came to be known as the "Belorussian Partisans," forming a cohesive and powerful group of allies in the republic and dominating its Party apparatus.

Aside from P. K. Ponomarenko, the most prominent member of the "Belorussian Partisans," was Kirill Mazurov, who, after an early career with the *Komsomol*, rose quickly through the ranks of the Belorussian Communist Party to become First Secretary in 1956. He served in this position until 1965, when he went to Moscow to take up the post of First Deputy Chairman of the Council of Ministers and joined the Politburo as a full member. Masherov's career followed closely in the shadow of Mazurov. He served in the Belorussian

[5] Biographical data on Masherov can be found in *Deputaty Verkhovnogo Soveta SSSR. Desyatyi sozyv* (Moscow, 1979), p. 286 and in his obituary, *Pravda*, 6 Oct. 1980, p. 2.

[6] For an excellent account in English of the partisan movement, see John A. Armstrong, *Soviet Partisans in World War II* (University of Wisconsin Press, Madison, 1964). For a recent Soviet version, see A. F. Khatsevich and R. R. Kryuchok, *Stanovlenie partizanskogo dvizheniya v Belorussii i druzhba narodov SSSR* (Minsk, 1980).

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Komsomol Secretariat under Mazurov, replacing the latter as First Secretary in 1947. He then moved to the Belorussian Party apparatus, serving in the Minsk and Brest *Obkoms*. In 1959, he became a secretary, and shortly thereafter Second Secretary, in the republic's Central Committee under Mazurov's leadership.

When Mazurov was elevated to the Politburo in Moscow, his Belorussian comrades clearly benefited. Masherov moved up to the post of First Secretary to replace Mazurov, and a year later, in April 1966, was elected to non-voting membership of the CPSU Politburo. Mazurov also brought some Belorussian allies to Moscow with him; M. V. Zimyanin (currently Central Committee Secretary in charge of ideology and propaganda) was made editor of *Pravda* in September 1965, and V. F. Shauro was given the position of head of the Central Committee Cultural Department, a post he still holds. By 1976, Mazurov was one of the highest-ranking members of the "junior leadership" (the senior leadership being Brezhnev, Kosygin, Podgorny, Suslov and Kirilenko) in the Politburo and was even billed as a likely candidate to succeed Kosygin.

AS long as his patron in Moscow was doing well, Masherov appeared to thrive politically. He managed to fill most of the important posts in the republic with allies from the partisan days or *Komsomol*. Moreover, he earned a reputation as a successful and innovative economic leader, keeping Belorussia's economic growth relatively high. At a Belorussian Central Committee plenum in July 1975, Masherov was able to report that Belorussia had increased industrial and consumer goods production, as well as labour productivity, at a considerably higher rate than that foreseen in the five-year plan.[7] Masherov introduced new experimental systems in construction, transportation, and agriculture which were aimed at increasing efficiency in management in Belorussia. His new system for the construction industry, approved by the USSR Council of Ministers in 1975, was basically one of economic self-sufficiency, and conformed to the policies advocated by Kosygin. It was hailed by the press as opening "a new page in the development of economic reform" and was advocated for adoption in other republics.[8]

Unfortunately for the Belorussians, however, Mazurov, who was considered to be a Kosygin protégé, had never been on particularly good terms with Brezhnev. Differences between the two over economic policy and resource allocation had long been evident in their public statements. Mazurov was a strong proponent of collective leadership, going out of his way to voice his opinions on the subject, and he was also guilty of occasional "deviations" on the nationalities question.

[7] *Sovetskaya Belorussiya*, 6 July 1975, p. 1.

[8] See A. Chekalin, "Idu na eksperiment. O poiskakh novykh metodov khozyaistvovaniya," *Nash sovremennik*, No. 7, July 1975, pp. 148–58.

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As Brezhnev continued to consolidate his power, Mazurov's fortunes began to wane.[9] Brezhnev appeared to be undermining Mazurov's position by advancing his own ally from his days in Dnepropetrovsk, N. A. Tikhonov. Invariably, moves to advance Tikhonov were made when Kosygin was absent from the scene because of reported illness. During the period from July to September 1976, for example, when Kosygin had disappeared from public view, Council of Minister decrees were signed, not by Mazurov, who was First Deputy Premier, but by Tikhonov, at the time only a deputy premier. Finally, in September 1976, Tikhonov was given the same title as Mazurov, First Deputy Premier.[10]

Soon there were other signs that Mazurov's career was under a cloud. In 1977, an important collection of speeches on *détente*, *From Helsinki to Belgrade*, appeared with contributions from all Politburo members except Mazurov.[11] His conspicuous, unexplained absences from important official occasions, interspersed with attendance at other, less significant events, raised further doubts about his future, and, when pictures of the leadership at the Red Square ceremonies of 7 November 1978 appeared in the newspapers, Mazurov's face was blocked off—a sign of political disgrace. Finally, at a Central Committee plenum that same month, Mazurov was unceremoniously retired from public life, while his rival, Tikhonov, was promoted to candidate membership of the Politburo, and Brezhnev's protégé Chernenko was made a full member. Brezhnev's position was strengthened considerably by the changes.[12]

MAZUROV'S departure from the Politburo gave rise to speculation that some of his Belorussian allies would also lose their posts. The system of cadres selection for government and Party posts in the Soviet Union relies heavily on patronage, whether it is based on

[9] For a thorough analysis of Mazurov's differences with Brezhnev and his declining political status, see the following *Radio Liberty Research Bulletins*: RL 321/72, "Marginal Notes on Mazurov's October Anniversary Report," 10 Nov. 1972; RL 19/74, "Mazurov at Odds with Suslov—On the Nationality Question," 5 Jan. 1974; and RL 11/77, "New Light Shed on the Circumstances Surrounding Kosygin's Accident," 13 Jan. 1977.

[10] Another indication that Kosygin did not look favourably upon Tikhonov is the fact that the decision to promote him to full membership of the Politburo (a status appropriate for his post) was not made until December 1979, when Kosygin was again out of the picture because of illness.

[11] *From Helsinki to Belgrade. The Soviet Union and the Implementation of the Final Act of the European Conference. Documents and Material* (Moscow, 1977). It is worth mentioning that P. K. Ponomarenko, who served as First Secretary in Belorussia from 1938–47, and thus had close ties with Mazurov and the other "Belorussian Partisans," was a bitter enemy of Brezhnev. For an account of their conflict, see Paul J. Murphy, *Brezhnev, Soviet Politician* (McFarland and Co., Jefferson, N.C. 1981), pp. 138–46.

[12] Though Mazurov was reported to have left his party post "because of his state of health and in accordance with his request," most Western experts, noting his visibly declining political status, viewed this explanation as dubious.

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common ethnic or professional backgrounds, or close ties formed through previous work together. Certain leading officials—Kirill Mazurov being a good example—frequently have a following of clients who owe their allegiance to them and whose careers are closely linked to the career of their patron.[13] One of the best examples is that which occurred in the Ukrainian Party apparatus, where, since the early sixties, two groups had been competing—those from Kharkov, Podgorny's former bailiwick, and those from Dnepropetrovsk, Brezhnev's old Party stronghold. When Brezhnev began to squeeze Podgorny out of the top leadership in the mid-sixties, he also began to rout his Kharkov group out of leading positions in the Ukraine. Eventually, in 1972, the leading member of Podgorny's Kharkov group, Shelest, lost his post as First Secretary to Shcherbitsky, a Brezhnev protégé from Dnepropetrovsk.

In Belorussia, where the Party apparatus had been dominated by the "Partisans" since 1956, there were no clearly-identifiable factional groups, as there were in the Ukraine, but Mazurov's fall was a severe blow to those who owed their allegiance to him, and to the republic's political standing in general. It meant that Belorussia lost its main Kremlin spokesman, both in the Politburo and in the Presidium of the Council of Ministers. Moreover, at the same plenum that removed Mazurov, Brezhnev voiced heavy criticism of the Party's handling of ideology. Since Zimyanin was Party secretary responsible for this area, it appeared that the criticism was directed at him.[14] Zimyanin did not lose his job, however, perhaps because he may have had the backing of the powerful senior Politburo leader, Mikhail Suslov.

In December 1978, the Belorussians regained a seat on the Presidium of the Council of Ministers by the appointment of Tikhon Kiselev as deputy chairman on that body. But Kiselev was not a former partisan, nor had he served in the *Komsomol*, and his career in Belorussia had been mainly in the government rather than the Party, so he could not be considered a close ally of Masherov. In fact, he may even have been a rival; if he ever had aspirations to become Party leader of Belorussia, Kiselev lost out to Masherov as far back as 1959, when he moved from his post as Second Secretary of the republic's Central Committee to take up the position of Chairman of the Belorussian Council of Ministers.[15] That same year, Masherov moved into the

[13] In a recent article on the origins of political cliques in the Soviet Union, T. H. Rigby notes that "political clientelism appears to be one of the most durable features of the political system bequeathed by Stalin to his successors." See T. H. Rigby, "Early Provincial Cliques and the Rise of Stalin," *Soviet Studies*, Vol. XXXIII, No. 1, January 1981, pp. 3–26 (p. 5).

[14] See *Pravda*, 28 Nov. 1978, p. 2 and *Radio Liberty Research Bulletin*, RL 272/78, 30 Nov. 1978.

[15] For biographical data on Kiselev, see *Deputaty Verkhovnogo Soveta SSSR. Desyatyi sozyv*, p. 206. Grey Hodnett mentions the natural competition between the republic's First Secretary and the Chairman of the Republic's Council of Ministers in his book, *Leadership in the Soviet National Republics. A Quantitative Study of Recruitment Policy* (Mosaic Press, Oakville, Ontario, 1978), pp. 338–39.

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Secretariat and soon became Second Secretary and heir apparent to Mazurov in his post as the republic's Party leader. Though the post of Chairman of the Belorussian Council of Ministers is by no means a minor one, Kiselev did not have control over Party appointments, and he had to follow Masherov's lead in decision-making, as long as the latter's position was secure.

BUT it appears that the situation had been changing. About the time that Mazurov's fortunes in Moscow began to founder, some personnel shifts took place in Belorussia. In early 1977, I. Ya. Polyakov, a former member of the "Partisans," was removed from his post as First Secretary of the Minsk *Obkom*, where he had been since 1966, to become Chairman of the Presidium of the Belorussian Supreme Soviet, a much less influential position. His successor was V. A. Mikulich, former Brest *Obkom* First Secretary. Shortly thereafter, the head of the Minsk *Gorkom*, V. A. Lepeshkin, was replaced by G. G. Bartoshevich. Lepeshkin had served in the Minsk Party apparatus since 1966 and thus had worked closely with Masherov for many years. In August 1978, A. A. Smirnov, successor to Masherov as First Secretary of the Brest *Obkom* and a Central Committee secretary and Bureau member since the early sixties, was moved to Moscow to become Chairman of the USSR Union of Consumer Cooperatives, a position of high visibility, but little power. A September 1978 plenum of the Belorussian Central Committee resulted in more changes in the composition of the Bureau. Three new members were elected: Yu. V. Kolokov and L. S. Firsanov, both of whom were newly appointed Central Committee secretaries, and V. A. Gvozdev, who had just been appointed Chairman of Gosplan. L. G. Kletskov, First Secretary of the Grodno *Obkom*, a Bureau member since 1971 and an *apparatchik* in the republic's Central Committee since the early sixties, was removed from the Bureau.[16] These moves meant that the composition of the Belorussian Party apparatus had already changed significantly before Mazurov was removed.

After November 1978, there were further personnel changes in Belorussia, which did not bode well for Masherov. In December 1978, his long time comrade from the partisan movement and *Komsomol* days, A. N. Aksenov (a former police official) left his position of Second Secretary of the republic's Bureau, which he had occupied since 1971, and became Chairman of the Belorussian Council of Ministers in Kiselev's place. Aksenov's replacement in this sensitive post was V. I. Brovikov. Although a Belorussian, Brovikov had almost no Party experience in Belorussia and had spent the last seven years out of the republic, serving in the CPSU Central Committee appara-

[16] Information on these personnel changes can be found in the *CIA Directory of Soviet Officials, Vol. III: National Republics*, May 1975 and Mar. 1979, and in relevant issues of *Sovetskaya Belorussiya*.

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tus.[17] Since he seemed to have little or no connection with Masherov, it would appear that he may have been chosen by the Moscow leadership in order to provide a "watchdog" over the Belorussian First Secretary. This development was accompanied by an important change in the Belorussian police organs. A. A. Klimovsky, Minister of Internal Affairs since 1967, was replaced by G. N. Zhabitsky, former head of the republic's Central Committee Department of Administrative Organs.

THERE is little doubt that, by the end of 1978, Masherov's position was not as secure as it had been. In addition to being "tainted" by his close association with the deposed Mazurov, Masherov was disadvantaged by the fact that he no longer had a "patron" in Moscow. In fact, his would-be rival, Kiselev, was now in Moscow, where he was in a position to undermine Masherov's status within the Party leadership. Also, Masherov's views at times appeared to be at odds with those of Brezhnev. He had been a strong advocate of Kosygin's economic reforms, which were coming under increasing criticism within the leadership, and, in terms of foreign policy, he seemed to be a hard-liner, with little favourable to say about Brezhnev's efforts to promote *détente*. At a time when Brezhnev was expanding relations with the West, for example, Masherov was warning about the dangers of ideological infiltration from this camp.[18]

ADDING to Masherov's problems were growing reports in the central press about Belorussia's economic troubles. An article by A. Simurov, which was published in *Pravda* in April 1979, was very critical of the republic's agricultural sector, noting several areas that were lagging far behind in production, and blaming the republic's Ministry of Agriculture for being unresponsive to the needs of the troubled *raions*.[19] This article was followed in June 1979 by an even harsher piece in *Pravda*, written by the same author, which touched upon a variety of serious defects in Belorussia, both economic and political.[20] Writing about a meeting of the Belorussian Party *aktiv*, Simurov noted sharp criticism of several ministries and reported that six to seven per cent of the industrial enterprises had not achieved their production quotas. He also claimed that the media and propaganda organizations were accused of sham for creating an artificial impression of well-being and prosperity and that Party committees were charged with doing nothing about failures to meet production

[17] See *Deputaty Verkhovnogo Soveta SSSR. Desyatyi sozyv*, pp. 17 and 78.
[18] See Masherov's speech at the 25th Party Congress of the CPSU, reprinted in *XXV s'ezd Kommunisticheskoi Partii Sovetskogo Soyuza. Stenograficheskiy otchet* (Moscow, 1976), pp. 159–60.
[19] *Pravda*, 4 Apr. 1979, p. 2.
[20] Ibid. 20 June 1979, p. 2.

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quotas. According to Simurov, those who spoke at the meeting mentioned the necessity for making leaders more responsible for the moral consequences of their actions. Somewhat later, in November 1979, Simurov again highlighted Belorussia's economic problems in *Pravda*, this time placing much of the blame on the republic's planning organizations, as well as on Party organizations in the ministries and departments.[21]

The negative publicity continued in 1980. An article in *Pravda* of 21 June focused on Belorussia's economic problems, particularly the republic's agricultural output, which was below that projected in the five-year plan. The article reported that heavy criticism of ministers and Party officials was voiced at a republic Party plenum.[22]

Masherov himself acknowledged Belorussia's shortcomings in a report to the republic's Central Committee plenum on 12 December 1979 and was explicit in his criticism of various ministers for lags in productivity.[23] Nevertheless, he did not appear pleased with the bad publicity in *Pravda*. He noted: "We value the efforts, for example, of the newspaper *Pravda*, which has recently been putting out materials of a critical nature on Belorussia, perhaps no less than those of our own republic's press," adding that "*Pravda* seemingly shows a preference for critical articles in regard to our republic." Masherov went on to point out that Belorussia's achievements would always remain achievements whether they were written about or not.

An even stronger reaction to the censure from Moscow came in another part of Masherov's plenum speech, where he launched into a discussion of Leninist-style leadership. In what appeared to be an oblique attack on Brezhnev, Masherov noted that the underestimation of criticism from below "is a symptom of a serious malaise of the executive. As a rule, those, putting it plainly, who do not like criticism, suffer from such failings as conceit, arrogance and an overestimation of their abilities and capacities. I am firmly convinced that a person who has stopped keeping track of his own defects, listening to the voice of the masses and critically evaluating the results of his own activity is incapable of making the slightest progress. And this means that he may not and must not remain in a position of leadership." Masherov went on to say that the vices he was referring to were not innate, but were the result of too much praise being showered upon the leader in question, sometimes without adequate reason. "As for the defects," he said, "we are reluctant to point them out, considering it embarrassing and awkward. Some people are not spoiled by such 'tact,' but others gradually begin to believe in their exceptional [immunity from criticism]..."

Though couched in a general discussion of leadership and supple-

[21] Ibid. 21 Nov. 1979, p. 2.
[22] Ibid. 21 June 1980, p. 2.
[23] *Sovetskaya Belorussiya*, 13 Dec. 1979, pp. 1–6.

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mented with references to minor Belorussian economic officials, Masherov's comments were unorthodox, to say the least. It is hard to believe that he was referring only to plant directors when he talked about failure to listen to the *masses* and too much praise being showered upon a leader, particularly given the recent development in excessive "personality cult" of Brezhnev. As several Soviet experts have claimed, general discussions of collective leadership and self-criticism that occasionally appear in the Soviet press may actually be expressions of veiled opposition to Brezhnev's predominance in the leadership.[24]

ANY confusion about the thrust of Masherov's comments is dispelled by the subsequent publication of his book, *Sovetskaya Belorussiya*, which appeared in print just a few weeks before he died.[25] The same comments about leadership are repeated *verbatim*, but with considerable elaboration and without the references to officials in Belorussia. Moreover, throughout the entire 139 pages of the book, there is not a single word of praise for Brezhnev. Considering that homage to the General Secretary has been practically obligatory in the writings of the Party elite in recent years, the few passing references to "Comrade Brezhnev," without including his titles, seem stark indeed. Masherov even insults Brezhnev's acclaimed literary genius when, in elaborating the various positive influences on the Party collective, he mentions some obscure Party directives, other Party documents and, lastly, "the works of Comrade Brezhnev."[26]

The book is particularly remarkable when compared with works of a similar genre by other republican leaders. *Sovetskii Kazakhstan*, for example, written by the First Secretary of Kazakhstan, D. A. Kunaev, and published in July 1980, is replete with effusive praise for Comrade Brezhnev, "General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet."[27] It contains quotation upon quotation from Brezhnev's literary works, which are acclaimed for their brilliance. The same is true of recent books by other republican first secretaries, who do not mention the importance of collective leadership or the necessity for heeding criticism from below.[28] Masherov's approach to the nationalities question is also somewhat different from that of the other first secretaries. Though he includes a few of the usual comments about the glories of internationalism and comradeship among the various national republics of the USSR, he stresses the special achievements

[24] For an analysis of discussions of collective leadership in the Soviet press, see M. Tatu, *Power in the Kremlin* (New York, 1969), pp. 520–22.
[25] Pyotr Masherov, *Sovetskaya Belorussiya* (Moscow, 1980).
[26] Ibid. pp. 109–10.
[27] D. A. Kunaev, *Sovetskii Kazakhstan* (Alma Ata, 1980).
[28] See E. A. Shevardnadze, *Sovetskaya Gruziya* (Moscow, 1979) and A. E. Voss, *Sovetskaya Latviya* (Moscow, 1978).

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of Belorussia and the importance of its contribution to the USSR economy. He notes at one point that Belorussia's economic production exceeds the national average. By contrast, Kunaev devotes several pages of his book to a discussion of the nationalities question, praising the Soviet solution to problems of national minorities and criticizing those who over-emphasize national traits and accomplishments.

It is perhaps worth recalling the fate of the former First Secretary of the Ukrainian Communist Party, Pyotr Shelest, who also wrote a book about his republic.[29] When it first appeared in print in 1970, there was little sign of disfavour from Moscow, and the book itself seemed innocuous enough. Within less than two years, however, Shelest was removed from his post in the Ukraine. In April 1973—the month of his removal from the CPSU Politburo—the journal *Kommunist Ukrainy* published a lengthy article attacking Shelest's book for manifesting "local patriotism." Remaining copies of the book were then withdrawn from the bookshops. Several explanations have been advanced for Shelest's demise, including his alleged mildness towards Ukrainian dissidents, his excessive economic demands from Moscow and his hardline stance towards *détente*. (He reportedly opposed Nixon's first visit to the Soviet Union in 1972.) But the obvious displeasure that his book caused in the Kremlin must have been a contributing factor, and it shows how sensitive the leadership is about such matters.[30]

AN interview with Masherov, published in *Pravda* on 15 June 1980, may also have annoyed the Kremlin leadership, Brezhnev in particular. Masherov again spoke out against leaders who do not adhere to collective leadership: "What is it that sometimes happens? People meet and sit around, but in fact one person speaks and makes decisions. The others merely agree with him. The result is imaginary collective leadership." [31]

The *Pravda* interview was followed by an article in the journal of the CPSU Central Committee, *Partiinaya zhizn'*, which seemed to take issue with Masherov's statements and writings. The article, entitled "Cadres Policy of the CPSU in Action," was written by I. V. Kapitonov, Central Committee Secretary responsible for Party cadres. Kapitonov stressed the importance of discipline and control as the key factors in successful Party leadership. While acknowledging the necessity for criticism from below, he warned that such criticism must

[29] P. Yu. Shelest, *Ukraino nasha Radyans'ka* (Our Soviet Ukraine) (Kiev, 1970).

[30] For an analysis of Shelest's political career and the reasons for his demise, see Ya. Bilinsky, "The Communist Party of the Ukraine After 1966" and Jaroslaw Pelenski, "Shelest and His Period in Soviet Ukraine," in Peter J. Potichnyj (ed.), *Ukraine in the Seventies* (Mosaic Press, Oakville, Ontario, 1975); also Lowell Tillett, "Ukrainian Nationalism and the Fall of Shelest," *Slavic Review*, Vol. 34, No. 4, December 1975, pp. 752–68.

[31] *Pravda*, 15 June 1980, p. 2.

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always be friendly. Kapitonov then discussed the failings of certain leaders:

> Unfortunately, not all leaders serve as an example of discipline and fulfillment of their Party and official duties. Some allow narrow-minded approaches and " local patriotism " to occur; sometimes they even allow deception of the state to occur, or incorrect behaviour in daily life. The Party demands that every time such occurrences are discovered they be judged harshly, and the leaders who have committed these failings and compromised themselves in the eyes of the workers be held strictly responsible, regardless of their position and past services.[32]

Though Kapitonov's article is rather general, his stress on the responsibility of leaders *regardless of position and past services*, raises the possibility that he was issuing a warning to Masherov. It is significant that the charges here of " narrow-mindedness " and " local patriotism " were the very same as those levelled at Shelest in 1973.

IN the meantime, more personnel changes had been occurring in Belorussia. In October 1979, L. I. Khitrun was relieved of his duties as a deputy chairman of the Belorussian Council of Ministers and thus also from his post as First Deputy Agriculture Minister. This was a personal blow for Masherov, since Khitrun was a protégé who served in the Belorussian government for almost twenty years and had been an active supporter of Masherov's agricultural innovations.[33] Somewhat later, two other figures who were closely linked to Masherov's economic policies were removed from their posts: The Minister of Industrial Construction, N. T. Arkhipets, and N. P. Molochko, Minister of Trade. These dismissals were followed by the removal of Ya. A. Mikulovich, head of the Central Committee Department of Planning and Financial Organization, and a member of the Central Committee apparatus since 1965.[34]

Given the fact that Belorussia was under heavy criticism for its economic failures (there was reported to have been a one-day strike over food shortages in Minsk in May 1980), it was not surprising that a certain amount of re-shuffling was going on within the republic's leadership. But two changes were announced that gave cause for speculation that something more serious was happening in Belorussia, especially since they occurred at a time when Masherov was absent from the republic.[35] On 27 August 1980, *Sovetskaya Belorussiya* announced that the Chairman of the Belorussian *Komsomol*, K. M.

[32] I. V. Kapitonov, " Kadrovaya politika KPSS v. deistvii," *Partiinaya zhizn'*, No. 14, July 1980, pp. 14–22 (p. 21).

[33] See *Sovetskaya Belorussiya*, 13 Oct. 1979, p. 1.

[34] Ibid. 6 Aug. 1980, p. 2 and 15 Aug. 1980, p. 2.

[35] Masherov was in Alma Ata with Brezhnev and other republics' Party leaders during the last week in August. See *Sovetskaya Belorussiya* and *Pravda*, 26–31 Aug. 1980.

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Platonov, who was a candidate member of the republic's Central Committee Bureau, was being replaced by one V. P. Shaplyko. Given Masherov's long association with the *Komsomol* and the relative importance of this post, the sudden announcement during his absence was unusual. Even more startling, however, was the announcement in the paper the very next day that Ya. P. Nikulkin, Chairman of the Belorussian KGB since 1970 and a full member of the republic's Central Committee Bureau, was being replaced by one V. G. Balyuev. This was an ominous sign, considering that the Ukrainian KGB chief had also been replaced before Shelest was forced out.[36]

Thus, on the eve of his death, Masherov's political fortunes seemed to be waning. During the previous two years he had lost his mentor in Moscow; his Second Secretary had been replaced by an outsider; the republic's Party Bureau had been significantly changed; and several members of the Belorussian government had been replaced, including the chiefs of both the MVD and the KGB. Considering also the negative reports about Belorussia in *Pravda*, Masherov's own provocative statements, and the pointed article in *Partiinaya zhizn'*, it is not unreasonable to suggest that, had he not died, he might soon have been forced out of his post.

The problem of Poland might have been an additional factor in Masherov's political troubles, since events there had reached a crisis situation in August 1980. With Belorussia bordering on Poland and containing a sizeable Polish population, Masherov probably viewed developments there as a threat to his republic's internal stability, particularly considering the reported strikes in Minsk. It is not clear to what extent Masherov was involved in debates over Poland, but he attended a Congress of the Polish Communist Party in Warsaw in early 1980. A recent Western study indicates that regional Party leaders take an active interest in foreign policy, and points out that, at the 25th CPSU Party Congress, Masherov was the most outspoken of the regional politicians on the subject of "ideological revisionism" in the socialist camp. He complained bitterly about communists who try to revise Marxism-Leninism because of the demands of "national conditions."[37] It is thus possible that Masherov was urging a Soviet invasion of Poland in 1980 and found himself in disagreement with the majority in the leadership.

THE events that followed Masherov's death reinforce the hypothesis that he was in political disfavour. Though *Pravda* published his obituary and covered his funeral in the customary fashion, no condolences were printed. Moreover, not a single member—or candidate

[36] In July 1970, V. Nikitchenko, who had been KGB chief in the Ukraine since 1954, was replaced by V. Fedorchuk.

[37] See Peter Hauslohner, "Prefects as Senators: Soviet Regional Politicians Look to Foreign Policy," *World Politics*, Vol. XXXIII, No. 2, Jan. 1981, pp. 197–233.

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member—of the Politburo attended his funeral. Though the funeral was held in Minsk, it was still surprising, and a break with precedent, that no leader of Masherov's rank was present. (Kiselev was also absent.) The only Moscow-based leader to attend was Masherov's former comrade from the "Partisans," Central Committee Secretary, Zimyanin.

Perhaps the most curious aspect of the funeral was the sudden emergence from obscurity of the deposed Mazurov, who was pictured boldly on the front page of *Sovetskaya Belorussiya*, at the side of Masherov's coffin. A message of condolence from Mazurov was also printed in the same paper.[38] The fact that none of this was reported in the central press creates the impression that this was an act of defiance on Mazurov's part, especially since he had completely disappeared from sight after the November 1978 plenum.

Shortly after the funeral, I. V. Kapitonov arrived in Minsk to attend a hastily-convened Central Committee plenum on 16 October 1980. (Ironically, another article by Kapitonov, in which he again lashed out at leaders guilty of "local patriotism," had appeared just two weeks prior to Masherov's death.[39]) The plenum elected Tikhon Kiselev First Secretary of the Belorussian Party. Five days later it was announced that Kiselev had been appointed a candidate member of the CPSU Politburo—an unusually quick move.

In his first major speech as Belorussian First Secretary, in November 1980, Kiselev came down hard against "departmentalism and localist tendencies," stressing the need for a correct correlation between centralism and the democratic principle. In a tone that was very different from Masherov's, Kiselev was full of effusive praise for Brezhnev and never mentioned collective leadership.[40] As might be expected, several personnel changes followed Kiselev's assumption of his new post: Viktor Shevlukha, a Central Committee secretary and Bureau member in the republic, was replaced by N. I. Dementei, former head of the republic's Central Committee's Agricultural Department; R. E. Korolev, Chairman of the republic's Party Control Commission since 1966, was removed; and several more of the republic's ministers, including V. A. Kozlov, Minister of Agriculture, were replaced.

It is interesting that two Party officials who might have been expected to lose their jobs earlier did not. In a speech to a Party plenum made some months before, Masherov had sharply censured the city of Minsk for its shortcomings. Though his comments were mainly directed at the government, he also accused the Party organs of "impermissible indifference and a careless, and at times provocative,

[38] *Sovetskaya Belorussiya*, 9 Oct. 1980.

[39] I. Kapitonov, "Guarantee for a Successful Development of Soviet Society," in *Rabotnichesko Delo* (Sofia, Bulgaria), 29 Sept. 1980, pp. 1–6. Translation in *FBIS, Daily Report Soviet Union*, 3 Oct. 1980, p. R1.

[40] *Sovetskaya Belorussiya*, 12 Nov. 1980, pp. 2–3.

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attitude towards criticism, alien to the norms of Party life." [41] Since the Minsk *Gorkom* is subordinate to the *Obkom* his statements presumably applied to both the *Obkom* First Secretary, V. A. Mikulich, and the *Gorkom* First Secretary, G. G. Bartoshevich, who had replaced long-time Masherov associates in these positions in 1977. Not only did they retain their jobs, but Mikulich published an article in *Partiinaya zhizn'* right at the time of Masherov's death.[42] He gave a glowing report of the accomplishments of both the Minsk *Obkom* and *Gorkom* and was especially eloquent in his praise for Brezhnev.

Masherov's death came at a fortuitous time for Brezhnev. The very next month, November 1980, the most significant leadership changes in over a decade occurred. Kosygin resigned from his post as Chairman of the USSR Council of Ministers for reasons of health and was replaced by Brezhnev's ally, Tikhonov. The terse manner in which Kosygin's resignation was announced, with no praise from Brezhnev and a day late, led some to conclude that Kosygin was under a political cloud, or at least that there was some controversy over these leadership changes.[43] Given Masherov's ties with Mazurov, who seemed slated for Kosygin's position just two years before, it is possible that he would have added further to any controversy by opposing the elevation of Mazurov's old rival to the post of Premier. With Kiselev a candidate member of the Politburo in Masherov's place, Brezhnev probably encountered little opposition from the Belorussians.

THE fact that Masherov's life was cut short in an accident at a time when his political career seemed seriously threatened may be dismissed as a curious coincidence. But this is not the first time that such an " irony of fate " has occurred in recent years. On 18 July 1978, *Pravda* reported that D. Kulakov, Central Committee Secretary responsible for agriculture, had died suddenly in the middle of the night. Along with the obituary was published a medical report, signed by several physicians, who claimed that Kulakov had suffered from " arteriosclerosis, cardiac sclerosis and chronic pneumonia," with the immediate cause of death a heart attack. Only 60 years old and a prime contender for Brezhnev's post, Kulakov was one of the youngest members of the Politburo and had previously shown no signs of ill health.

In the months preceding his death, however, there had been considerable speculation by Western observers that Kulakov was in political disfavour.[44] At the traditional Red Square line-up on May Day,

[41] Ibid. 13 Dec. 1979, pp. 5–6.

[42] V. Mikulich, " Partiiniye organizatsii v bor'be za svoevremennyi vvod v stroi pyshovykh ob'ektov," *Partiinaya zhizn'*, No. 19, Oct. 1980, pp. 24–28. Mikulich also wrote an article for *Kommunist Belorussia*, No. 2, Feb. 1980, in which he praised the work of the Minsk Soviets at both the city and *oblast'* level.

[43] See, for example, *Radio Liberty Research Bulletin* 396/80, 23 Oct. 1980.

[44] See ibid. Nos. 28–30, July 14, 21 and 28, 1978.

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Kulakov stood last among Politburo members—a noticeable drop from his previous standing. This was followed by a series of unexplained absences on occasions which clearly called for the presence of all Moscow-based Politburo members. (It is unlikely that Kulakov was ill because he showed up on other, less important occasions.) One of the clearest signs of trouble for Kulakov was his failure, as the Party's chief spokesman on agriculture, to speak at a special Central Committee plenum on the subject in early July 1978, though he was still appearing in public. At the plenum a scathing attack on agricultural workers issued in Brezhnev's name gave rise to more speculation about Kulakov's career.[45] Finally, neither Brezhnev, Kosygin nor Suslov attended Kulakov's funeral. Considering his rank, this was a surprising slight.

Other deaths under unusual circumstances were those of two top police officials. On 28 December 1979, V. S. Paputin, First Deputy Minister of Internal Affairs, died suddenly while allegedly carrying out his duties in Afghanistan. When his obituary appeared in *Pravda*, there were no signatures of senior Politburo members and no picture was included. According to rumours, Paputin had died in disgrace, possibly by suicide. Soon afterwards, Brezhnev promoted his own son-in-law, Churbanov, to the post vacated by Paputin over the heads of other deputy ministers.[46] More recently, the First Deputy Chief of the KGB, Semyon Tsvigun died on 19 January 1982 amidst rumours that he was involved in a political dispute with Brezhnev. (The dispute had reportedly arisen over a scandal involving Brezhnev's daughter, who happens to be married to Churbanov.) The fact that Tsvigun was supposedly a long-time Brezhnev protégé makes these claims surprising, but Tsvigun was clearly in political trouble when he died. Not only did Brezhnev fail to sign his obituary, as protocol clearly dictated, but also Tsvigun was not buried in Novodevichy Cemetery, where, as a Central Committee member, he should have been buried.[47]

TAKEN together, the numerous coincidences surrounding the deaths of Masherov, Kulakov, Paputin and Tsvigun may even raise doubts about the official explanations. After all, the period of time when the Party and the press frequently covered up murders of top officials is not so very far back in Soviet history. Here is Roy Medvedev's description of how Stalin and the NKVD used methods of "disguised terror" in order to avoid straightforward arrest of top officials:

> Some officials were murdered in their homes, in hotels or in hunting parties, in their offices, thrown out of windows, poisoned and

[45] See *Pravda*, 5 July 1978.
[46] See *Pravda*, 3 Jan. 1980, p. 4 and *The Washington Post*, 14 Mar. 1980, p. A27.
[47] Tsvigun's obituary appeared in *Pravda*, 21 Jan. 1982, p. 3.

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> then were reported dead of heart attacks, accidents or suicides . . . Sergo Ordzhonikidze's death was attributed to a heart attack, and the doctors who signed the false autopsy report were arrested and destroyed.[48]

One need only read Khrushchev's memoirs or the speeches at the 22nd Party Congress to notice similar examples.

Offering his own explanation of how these murders of top officials occurred, Medvedev says: "The absence of publicity enabled Stalin to cover up his crimes and also to be the complete master, especially when even the most important officials were denied information he knew about."[49] Khrushchev and the current Soviet leadership eschewed the methods of mass police terror used by Stalin and have generally dealt with political opponents in a more civilized fashion. But the means to eliminate their enemies by violence—a complete control of the press and a powerful police organization—are still there. The fact that the police organs have been gradually "rehabilitated" since the mid-1950s and now appear to have gained significant power and prestige within the Soviet system makes the possibility of such violence more likely. Significantly, this rehabilitation has been furthered to a great extent by Brezhnev himself, who in recent years has managed to fill the top police positions with hand-picked protégés.[50] The possibility that Andropov, who was the KGB head for 16 years, may become Brezhnev's successor, can only reinforce such reflections.

Explaining the reason for Shelest's ouster from the Ukrainian Party leadership in 1972, one expert concluded: "Shelest fell essentially because he was too independent-minded a person in control of too important a republic."[51] The same might be said of Masherov, whose ambitious economic experiments and outspoken remarks probably incurred the wrath of the Moscow leadership. The parallels go further: both men had mentors in Moscow who had lost favour with Brezhnev; both were "hawks" in terms of foreign policy; and both lost control of the KGB in their republics. According to *samizdat* accounts, Shelest was let down slowly because he still had strong support among the Ukrainian apparatus and non-Russian Party leaders. But after he was removed from his post in the Ukraine, he was reportedly called to Moscow, placed under house arrest and not permitted to return to the Ukraine.[52] Perhaps Masherov was different from Shelest in that, seeing himself in political trouble, he was simply not willing to step down, even after the republic's KGB chief was replaced. Masherov had, after all, been in control of a powerful republic Party apparatus

[48] Roy Medvedev, *Let History Judge* (London, 1972), pp. 367–68.
[49] Ibid. p. 370.
[50] See Amy Knight, "The Powers of the Soviet KGB," *Survey*, Vol. 25, No. 3, Summer 1980, pp. 138–55.
[51] See Bilinsky, "The Communist Party of the Ukraine," op. cit., p. 252.
[52] Op. cit. Pelenski, "Shelest and His Period in Soviet Ukraine," p. 299.

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for 15 years and, despite the personnel changes preceding his death, he probably had considerable political support. It is also possible that his days in the Belorussian partisan movement had earned him some allies of his own in the secret police.

Our suspicion in Masherov's case is not allayed by the fact that the location of his reported accident, according to *Sovetskaya Belorussiya*, was somewhere in the Belorussian countryside [53] and not in Minsk, where witnesses might have confirmed the official reports. Unless further information emerges, the truth about his career and death must remain a matter of conjecture. But conjecture and hypothesis are the only tools at the disposal of kremlinology. Kremlinology does not provide immediate answers, but alerts us to tangible possibilities of what might be happening within the secret confines of the leadership in the USSR. This should not detract from its validity as a method. For, as in previous instances, so also in this case, the actual possibility that the Soviet leadership may be resorting to violence to solve internal disputes has certain implications for our approach to the Soviet system.

AFTER Khrushchev's ouster, Robert Conquest wrote: "We should realize once and for all that communism is in a state of continuous crisis and that it is basically unhistorical to predict for it a smooth and logical evolution. If we do not allow for even quite extravagant possibilities, we are bound to be taken by surprise. Serious consideration of Soviet prospects must deal with every variation that is formally possible." [54] In view of the succession crisis, which appears to have already begun with Suslov's death, and the period of instability that may ensue, these words have particular relevance now. Western experts should be alert to all possibilities and take nothing for granted. For any surprise political developments that may occur in the Soviet Union could have important consequences for the world as a whole.

[53] *Sovetskaya Belorussiya*, 6 Oct. 1980, p. 1.
[54] Conquest, "After the Fall," p. 21.

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After Brezhnev: the Limits of Prediction

Leonard Schapiro

BREZHNEV'S period of rule must eventually come to an end—whether by death, total incapacity, or retirement cannot be predicted. However, of the three, retirement is the least likely: in Soviet conditions this exposes a former leader to blame and abuse, without any opportunity of reply. (After all, Khrushchev officially "retired" in 1964!)

In order to make any kind of responsible prediction on the subject of Brezhnev's likely successor, it is first of all necessary to look at the main features which have characterized his style of governing.

First and foremost was his skilful use of the Party apparatus under his immediate control—the Secretariat—in order to dominate policy, and the maker of policy, the Politburo. Those whose enthusiasm for speculation and prediction leads them to propound fascinating theories about an armed forces takeover, a revolt by the technocrats or by the "young Turks" in the Party apparatus, or the emergence of "pluralism" in Soviet society, seem not to attach the necessary importance to the nature of the Soviet system, at any rate as perfected by Brezhnev.

The General Secretary is not only Chairman of the Politburo and of the Defence Council, but also of the group of eight secretaries—some in the Politburo, some not—who meet at least once a week. These secretaries in turn head or control departments of the Central Committee, over 20 in number, which between them provide the apparatus for Party control over the entire life of the country—foreign affairs, the armed forces, Communist Party activity, communist bloc affairs, agriculture, industry, internal security, subversion and espionage, and all aspects of education, information and propaganda.

Their most powerful weapon is control over all important appointments and promotions—the departments of the Central Committee under the overall direction of the General Secretary, or whichever secretary is deputizing for him, form the Party element in the *nomenklatura* system. (And "cadres decide everything," as Stalin said, though Lenin, if he did not say so, had acted on the same principle before him.) The departments have two other functions. They are the channels of communication with the categories of interest on whose co-operation the implementation of policy depends. But—and this is usually ignored by the partisans of the "pluralist" view of Soviet government who stress the great extent to which the opinion of interests affected is sought by Soviet policy makers—in so doing they

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can (in the absence of a free press and of effective public opinion) influence the information produced by the selection of both spokesmen and topics. And secondly, they prepare the briefs for the Politburo discussions of, and decisions on, policy. The departments of government also cooperate in the preparation of these briefs. But there is ample evidence, especially from the countries of the bloc, where a similar system prevails, that the voice of the relevant department of the Secretariat is normally the more influential one.

The case of foreign affairs is particularly instructive because it is obvious that in this sphere, which is, constitutionally speaking, the responsibility of the Ministry of Foreign Affairs, Brezhnev has complete ascendancy. In the Secretariat the overall responsibility for foreign policy is vested in the International Department which, contrary to popular belief, is not merely the organ which deals with relations of the CPSU with foreign non-ruling communist parties, but in fact plays the leading role in the formulation of Soviet foreign policy in all its aspects.[1]

Its influence can be gauged first from the fact that it possesses much better research equipment than the MFA for analysing the data on which foreign policy decisions are based—for example, the two Academy of Sciences Institutes on America and Canada and on World Economics and International Relations. G. A. Arbatov and N. N. Inozemtsev, the Directors of these Institutes, became full members of the Central Committee at the 26th CPSU Congress in March 1981. But secondly, and more important, not only is the head of this department, B. N. Ponomarev, a candidate member of the Politburo, but the veteran Suslov, who until his death in January 1982 exercised overall responsibility for the International Department, was one of the most senior and influential members of the Politburo. (The effect of his death is considered below.) The same streamlined control, culminating in the Defence Council) which is, in effect, the Politburo in military session) prevails over the armed forces. Though some military members presumably serve on the Defence Council (of which the composition has not been published), civilians like Brezhnev and the Defence Minister Ustinov (in spite of their rank of Marshal) and probably the former Chairman of the KGB, Andropov, certainly outnumber them in weight, if not in number. Bearing this in mind, it seems unprofitable, for example, to speculate, on the basis of a comparison of military articles and Brezhnev's speeches, that conflict is looming between the armed forces and the CPSU,[2] particularly if one bears in mind that all military articles are subject to censorship in the appropriate department of the Central Committee.

[1] I have dealt with this aspect of the International Department in "The International Department of the CPSU: The Key to Soviet Policy," *International Journal* (Toronto), Winter 1976–77.

[2] See, for example, William G. Hyland, "*Kto Kogo* in the Kremlin," *Problems of Communism*, Jan.–Feb. 1982, pp. 22–24.

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MOST observers agree that the Politburo headed by Brezhnev has been characterized by a remarkable degree of consensus among its members—at any rate since Brezhnev's ascendence and after the elimination of men like Shelest, Polyansky and Shelepin. For what it is worth, Brezhnev himself told a press conference in 1973 that the Politburo meets on Thursdays at 3 p.m. with Kirilenko or Suslov presiding in his absence, and that " ninety-nine per cent of the time an agreed point of view is arrived at after long discussion," so that " voting is rarely needed." If there is no consensus, " a small group or committee of members is selected to resolve the issue." [3]

This view of policy based on consensus and on acceptance of Brezhnev's leadership, is borne out by a number of facts. First, that a significant number of appointments within the Politburo *nomenklatura* has gone to men who can be considered protégés of Brezhnev. And secondly, that the Politburo is not simply a body of Brezhnev's " yes " men. On the contrary, a number of its most influential members—such as the late Suslov and Kosygin, Andropov, Ustinov, Grishin and probably Kirilenko—cannot be regarded simply as " Brezhnev men." [4]

On the other hand, there is no reason to suppose that any of the recent policy decisions adopted by the Politburo should have aroused dissension among its members—for instance, an expansionist move, like the invasion of Afghanistan would not have raised many doubts in Politburo minds in view of past tolerance of Soviet aggression by the Western powers, and the consequent absence of need to fear an adverse reaction from them. Indeed, such aspects of policy as cracking down on internal dissent, or expansion of military might, command general approval among CPSU leaders, and are well-established party aims.

There is no reason to suppose either that there were serious disagreements in the Politburo on the subject of how to deal with Poland, or that the ingenious solution eventually adopted of making the subjugation of Solidarity look like the work of a patriotic Polish general (trained in the Soviet Union, and a political officer by career, in other words a Party apparatus man in uniform), caused any dissent. Any doubters would, in any case, by now have been reassured by the fact that Western reaction, one of the main causes for Soviet hesitation in dealing firmly with the Polish revolt, proved to be so mild. As of now, US grain supplies and European credits for the Siberian pipeline look safe, nor is there too much danger that credits or technology transfer will dry up.

Of course, the state of the economy is disturbing, as are the many social problems which are either causes or consequences of it. But

[3] *New York Times*, 15 June 1973.

[4] See Simon Head, " Brezhnev and After " in *New York Review of Books*, 4 Mar. 1982.

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there have been no signs that this has caused much dissension. Hence, the Politburo has either decided that any attempt to effect the kind of major alterations that would be required to improve economic performance would endanger the survival of the regime in its present form; or, as the complete lack of change in the top leadership at the 26th Congress of the CPSU in March 1981 suggests, it has resolved to postpone any major changes required until after Brezhnev's departure.

AN important feature of Brezhnev's period of rule, no doubt very popular in the upper ranks of the Party apparatus since the experience of Khrushchev, is stability of appointments. Changes in the Politburo have been limited to the elimination of trouble-makers like Shelepin, or to necessary replacements—like that of Kosygin by Tikhonov after the death of the former. Thus, for example, 78 per cent of the RSFSR *oblasti* either kept their first secretaries or suffered only one change between 1964 and 1976; under Khrushchev the equivalent percentage was 33.[5]

The unprecedented and remarkable decision of the 26th Congress of the CPSU in March 1981 not to make a single change in the composition of the Politburo revealed a clear determination to leave the stable position undisturbed until Brezhnev's death or departure. Moreover, not displacing the incumbents at the top also means that the numerous clients who surround each holder of high office, and their vested interest in privilege and influence, likewise remain unaltered.

There is thus every reason to suppose that Brezhnev's rule has been popular among his colleagues. The outward signs of concession to his vanity—the orders and decorations, the rank of Marshal, fulsome praise of his war record and his literary genius, even the office of President of the USSR—are a small price to pay to a man whose gambles abroad have paid off, and whose rule has provided welcome stability for those who enjoy the most coveted privileges. There is, however, good cause for worry and dissatisfaction, even if the Politburo has never gone further than the pious exhortations of the kind invoked by Brezhnev at the CPSU Congress in March 1981 in dealing with existing weaknesses and failures.

FIRST, there are the chronic features, as they have become, of Soviet society: an inefficient agriculture, the low efficiency of industrial production, apathy, drunkenness, poor work discipline, and a "grey" or black market in goods and services which may threaten to extend beyond the limits within which it is tolerated as an unavoidable corrective to the failure of the system to provide an adequate volume of consumer goods. All these features, shortcomings of every communist society, may well cause impatience and resentment among the

[5] Robert Blackwell, Jr., "Cadres Policy in the Brezhnev Era," *Problems of Communism*, Mar.–Apr. 1979, quoted ibid.

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younger, more energetic, and less tolerant members of the Party apparatus, the technocrats, or some sections of the armed forces. But the cynical old men who form the majority in the Politburo probably realize from experience that attempts to put these failings right by the only remedy that might work--a measure of decentralization and pragmatism—could prove worse than the disease by endangering the continued domination of the Party stranglehold.

The examples of Hungary, Czechoslovakia and Poland are not forgotten: they all showed what happens to a communist system when it tries to reform itself. In every case, the result was a decline in the authority of the Communist Party, with threatened loss of overall control. It is no wonder that the restructuring of Soviet industry along the lines of decentralization initiated by Kosygin in 1965 did not last long in the face of resistance from the Party.

ANOTHER cause for concern may be corruption in high places, for which ample evidence can be found in official Soviet sources. Much information, some of it no doubt true, is supplied by the spate of rumours which abounds in Soviet society. Of course, in a sense, corruption is the key to the functioning of the Soviet system; the rewards for the risks and strain of high office are precisely the opportunity this provides for self-enrichment (with the certainty of immunity from the attentions of the law). The provision of this opportunity to his supporters or clients is one of the most effective ways in which a leader ensures the loyalty of his followers.

But there is another aspect. The "young Turks" in the Party apparatus are, no doubt, sometimes indignant about corruption, at any rate until it is their turn to reap the benefits. Possibly, they can be safely ignored—though the issue of corruption, and the need to combat it, may provide a useful stepping-stone for an ambitious young man on his way up to greater heights.

What cannot be so easily ignored in a society of rising expectations and increasing shortages is envy—the powerful force which, from time to time, leads to a flood of denunciations arriving at the offices of the KGB. Drives against corruption are not unknown in the Soviet Union: the normal pattern is for the highest Party officials involved to escape with the loss of their jobs, while the smaller fry go to prison. For example, the First Secretary of Georgia, Mzhavanadze, lost his post over a scandal about shady deals some years ago, but was never prosecuted, while humbler crooks paid the penalty. Ishkov, the Minister of Fisheries, was never charged over a swindle concerning the export of caviar, said to have involved millions of dollars, while his deputy Vladimir Rykov was shot and other ministry officials were imprisoned.

In March 1982, a flood of rumours was abroad in Moscow and elsewhere, presumably initiated by the KGB, that the then Chairman

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of the KGB, Andropov, had launched an attack on corruption in which a number of well-known figures, whose names were closely linked with Brezhnev, were involved—his daughter's lover, two of her close friends, and his son Yurii. Rumour also had it that the deputy head of the KGB, Tsvigun, Brezhnev's brother-in-law, was driven to suicide by Suslov who tried to prevent Tsvigun from ordering the arrest of persons close to Brezhnev. But Suslov died too—perhaps his death was caused by over-excitement at his advanced age—so the arrests went ahead. But all this was rumour—not a word has appeared in the Soviet press beyond the announcement of the deaths, and of Suslov's funeral. But suspicion that these rumoured arrests represented some kind of a move against Brezhnev was strengthened by the belated discovery of a sketch in a Leningrad literary journal, devoted to Brezhnev's birthday, in which an aged author of great fame was satirized (in extremely bad taste) for not dying.

Apart from the arrests for corruption, the existence of which there seems little reason to doubt, the current explanations of these rumours seem implausible, and will remain so until further evidence comes to light. It is extremely improbable in Soviet conditions that Tsvigun would have issued orders for the arrest of men so close to Brezhnev without the authority of his chief, Andropov. Short of a complete breakdown in the hierarchy of the Soviet Union, it is difficult to imagine that Andropov would have authorized the arrests without the consent of Brezhnev, who may have wished to demonstrate that even those close to the highest in the land are not immune to the law. (They can, after all, be quietly released, or not brought to trial, or allowed to bribe their way out after conviction.)

The extraordinary article in the Leningrad magazine, on the other hand, may have been put in by enemies of the First Secretary of the Leningrad *oblast*, Romanov, a thrusting young man of 59, who may well have his eye on the ultimate succession. Rumours about him abound, no doubt spread by his enemies, of wild orgies on the Neva, and of a wedding party at which the Empress Catherine's dinner service was smashed by Romanov's drunken guests. Organizing the publication of such an article behind Romanov's back might have been a ploy initiated somewhere higher up, with the aim of notching up another black mark against him in his career.

AS yet, at any rate, there is no evidence that the Soviet hierarchy, headed by Brezhnev, is already in a state of disintegration, although this point may soon be reached. On the other hand, the death of so senior and influential a member of the Politburo as Suslov, who was responsible, among other things, for the International Department, was bound to change the balance of influence inside the Politburo.

For example, one possibility was some enhancement of Gromyko's influence. So long as Suslov was alive, Gromyko's junior status in the

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Politburo ensured the dominance of the International Department in questions concerning foreign affairs. With Suslov gone, the question was whether Gromyko would be able to assert himself against Ponomarev—that is, unless steps were to be taken to prevent this. The rise of Chernenko or of Andropov may well preclude such a development.

The many signs in 1982 of Chernenko's advancing prestige suggest that such steps may have been attempted with Brezhnev's support by the apparatus of the Central Committee. Chernenko, for long an associate of Brezhnev, is head of the General Department of the Central Committee which deals with such matters as Party archives and Party cards, and internal security, but whose most important function is to act as Secretariat to the Politburo. It thus works in very close contact with the General Secretary, the Chairman of the Politburo, and it is significant that Brezhnev appointed Chernenko to head the General Department very soon after he took over as General Secretary.[6]

Three facts connected with Chernenko's activities in 1982 strongly suggest that he was initially favoured to take over Suslov's duties in the Politburo—in particular supervision of the International Department, the external activities of the KGB and ideology. Immediately after Suslov's death he received a delegation of Greek communist leaders, and then left for France to attend the Congress of the French Communist Party. He attended the discussions with General Jaruzelski when the latter came to Moscow in March 1982; and editors of newspapers and journals have been instructed to refer to him all questions which require Politburo authorization. It still remains to be seen how much weight he will be able to wield in the Politburo in the sphere of foreign policy. He is, of course, senior to Ponomarev who is only a candidate member. But he is junior to Gromyko—Chernenko was appointed in 1978 and Gromyko in 1973. In the Politburo he is junior to Andropov by the same number of years. But, because of his key position in the Secretariat of the CPSU he can probably expect to enjoy some advantages in the power game which may be denied to the other two.

PAST evidence suggests that a successor to the General Secretary must come from within the Secretariat and the Politburo. Khrushchev's rise to power only began when he had successfully ousted Malenkov from the Secretariat (or prevailed on him to leave) to become Chairman of the Council of Ministers. Brezhnev, who had served in the Secretariat for some years but then left it, returned to the Secretariat in 1963—presumably as part of the preparations to oust Khrushchev and replace him with Brezhnev. In any case, the Secretariat is so closely and vitally involved in the running of the

[6] I have discussed the functions of the General Department in "The General Department of the CC of the CPSU," *Survey*, No. 3 (96), Summer 1975.

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entire life of the country that it is difficult to see how anyone outside its apparatus could hope to assume power.

Before the death of Suslov it seemed reasonable to suppose that the immediate successor in the event of Brezhnev's death or incapacity would be Kirilenko, in spite of, or perhaps because of, his age—he was born in September 1906. He has frequently deputized for Brezhnev in his absence, and his advanced years would ensure that he would be no more than a stop-gap while the question of the succession was argued out. Since Suslov's death, the surmise that his mantle has fallen on Chernenko has not been confirmed; on the other hand, since Chernenko is young by Politburo standards (born September 1911) his appointment as General Secretary might meet with resistance on the grounds that his tenure of office may last too long for a stop-gap, and thus postpone the final choice of a new leader.

Considerable doubt was thrown on the surmise that Chernenko may become the successor to Suslov in the Politburo by the appointment on 24 May 1982 of Andropov as a secretary, and his replacement by Fedorchuk as Chairman of the KGB on 26 May 1982. While speculation based on the March arrests was devoid of solid foundation, the position looks quite different since Andropov has become a secretary and, moreover, relinquished his chairmanship of the KGB. As successor to Suslov, and as a candidate for the post of General Secretary, Andropov seems to be in a much stronger position than Chernenko. He is senior in standing to Chernenko by five years. He is much more experienced in foreign affairs, and would make a more powerful counter-weight to Gromyko as supervising secretary of the International Department. He has successfully steered the Soviet regime through a number of crises which have caused it the gravest concern: he was ambassador in Hungary during the revolt of 1956, while most obviously as Chairman of the KGB he must have played a vital part in the preparation for General Jaruzelski's takeover in Poland. At home he has been fairly successful in dealing with the problem of dissidents, for which purpose he set up a special directorate within the KGB. His policy in this respect has been characterized by a blend of repression, persuasion combined with intimidation, and enforced emigration of trouble-makers. His career in the CPSU and in the KGB has given him valuable opportunities to exercise patronage. Nor can the possibility be excluded that knowledge recently acquired in security surveillance will have given him a hold over some of his political colleagues. Andropov must therefore be regarded now as a strong candidate for the succession to Brezhnev, and not just as a stop-gap either, since he is only 68.

The only other secretary who is also a Politburo member, Gorbachev, has little relevant experience, and is very young indeed by Soviet standards—born March 1931. If one of the two most probable stop-gaps is appointed General Secretary, the ultimate succession

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escapes the bounds of rational prediction. It would depend on the promotion to the Secretariat of existing Politburo members, or to the Politburo of current secretaries, or indeed on the elevation to both Politburo and Secretariat of new men. If it is Andropov who succeeds Brezhnev, his style as exemplified hitherto would suggest that in foreign policy the West can expect subtler and more ingenious ploys emanating from him than from Brezhnev. But the basic principles of Soviet foreign policy are extremely unlikely to change.

LOOKING farther ahead in the decade, it is, of course, reasonable to suppose that, in the ordinary course of events, younger men will begin to replace the present Politburo veterans. These are most likely to be men in their fifties and sixties: of the 10 men elected to the Politburo since 1970, two were under fifty, four were in their fifties, three in their sixties and one in his seventies. There has been much speculation, but little hard evidence, about the political outlook of these younger men of the apparatus. They are sometimes said to be more pragmatic, more intolerant of inefficiency, and more impelled by nationalism than ideology. It is even suggested that they may be more prone than their elders to take military risks. It has also recently been argued that they may be pushed by the technocrats, or members of the army incensed by the corruption and inefficiency which prevails among the top party leaders, into opposing the ideologically dogmatic conservatism that prevails today.[7]

The army seems an improbable source of pressure for change: the army leaders have all they want by way of prestige and economic support, and have never shown real political ambition. Zhukov was no exception: he backed Khrushchev because he thought the First Secretary would support him in his efforts to be rid of the incubus of time-wasting Party education. It is probably true to say that no future secretary could afford to deny the armed forces the resources and prestige which they regard as their right—which is another way of saying that it is unlikely that a General Secretary would be approved if the armed forces were known to disapprove.

Technocrats and others—nationalists, for example—certainly may provide a source of pressure that could be reflected in action by the "colonels" of the *apparat*. How far such pressure would be effective on the Politburo level is another matter. From the point of view of the Politburo, it must be obvious by now that many of the demands for efficiency, for example, are incompatible with the system of Party control that is traditionally the Soviet way of governing. To accept changes in the interests of a more effective industry, for example, could endanger the very monopoly of power which the Party regards as its inalienable right. The Party may, in this instance, be quite cor-

[7] See A. Shtromas, *Political Change and Social Development: The Case of the Soviet Union* (Frankfurt am Main and Bern, 1981).

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rect in its judgment. Inefficiency, apathy, and corruption may be inseparable from the communist system of rule, and the wisdom of governments like that of Brezhnev may have lain in recognition of this fact, and learning to live with such necessary disadvantages of CPSU rule. Whoever emerges as the victor in the struggle for the succession, Andropov or Chernenko, will have, at least initially, to observe this rule.

The experience of the countries of the bloc has shown that an explosion is never far below the surface if once you start tinkering with the system in an effort to remove its most obvious vices. But the communist parties of the bloc can look to the CPSU to rescue them if things get out of hand; the CPSU is on its own. And so the principle of Soviet Party leaders has become: "*Surtout, pas trop de zèle.*"

Khrushchev, who packed the Politburo with protégés whom he trusted (like Brezhnev) was nevertheless removed when he became over-zealous in reforming everything within sight, and made enemies everywhere that mattered in the process—the army, the KGB and the Party apparatus. No one can predict the composition of the Politburo which will eventually emerge in the post-Brezhnev era: too much will depend on the rise of personalities at present little known, and on the idiosyncrasies which will motivate them. No one can say with certainty that another maniac cast in the mould of Stalin may not emerge and try to establish a similar personal despotism—though this is rather improbable because the memory of Stalin will still be alive in the course of this decade, and too many Politburo members will be anxious to prevent a development which they know will present a serious threat to themselves.

THE experience of the recent past suggests that there is a strong likelihood that the Politburo, after Brezhnev has gone, and the dust after the succession struggle has settled, will contain a strong contingent of members who favour conservatism, consensus, stagnation, tolerance of inefficiency and corruption at home, the continued growth of military might, and a policy of maximum expansion abroad, within the limits imposed by the desire to avoid nuclear collision with the Western powers.

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Soviet Military Politics

Michael Sadykiewicz

IN his book, Devant la Guerre (*Fayard, 1981*), *Cornelius Castoriadis argues that the Soviet Communist Party no longer rules, but that it has been* de facto *replaced in its leading role by the Soviet army and its technical experts. This group, which, taken together, the author calls the "stratocracy" (from the Greek word* stratos—*army), according to him, already controls the levers of power in the Soviet Union. The rise of the "stratocracy" occurs at the same time as the decline of the Marxist-Leninist ideology which Castoriadis sees as being replaced by Russian imperial nationalism.*

The strength of the "stratocracy" derives, among other things, from the fact that it controls the only efficient sector of the Soviet economy: the military industry, which commands all the best human and material resources and which, according to Castoriadis, employs no less than one-fifth of the total Soviet work force. The striking contrast between the sluggish civilian economy and the relatively dynamic military-industrial production sector in the USSR has been stressed by many observers. The general impression is that only the latter "works," and although some analysts point out that the contrast can be over-emphasized (cf. Hannes Adomeit and Mikhail Agursky, "The Soviet Military-Industrial Complex," Survey, *Vol. 24, No. 2), there is little doubt that it underlies both the weakness of the Soviet economy and Soviet imperial strength.*

The Soviet military build-up and the militarization of Soviet society in general reflect the needs of imperial expansion. They are the instruments (and the "stratocracy" is the embodiment) of this expansion which provides the new legitimation of Soviet power.

The Castoriadis thesis draws attention to some pertinent contemporary developments in the Soviet Union, but its conclusion about the moribund nature of the Soviet Communist Party and the independent dominant role of the Soviet army may be mistaken; their relationship in Castoriadis' scheme is oversimplified. The rise of the "stratocracy" may not signify the superiority in the Soviet power structure of the army over the Party, but only the increased influence of the former over the latter, without the subordination of the Party in a kind of institutionalized Soviet "Bonapartism." Rather than the Soviet military becoming the political rulers, it is the Party leaders themselves who don marshals' uniforms.

Castoriadis is undoubtedly right in many of his observations, but the actual decision-making process in the Soviet Union has to be studied not in abstraction, according to some general formula, but in concrete detail: as it actually functions in all its specific complexity.

The study below is a contribution to such an analysis.

L. L.

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The Supreme Defence Council of the USSR

THE thesis of this study is that the real, as opposed to the official, supreme centre of power in the Soviet Union (and in the whole Soviet bloc) is not, as is commonly presumed, the Politburo, but the Supreme Defence Council, its dominant committee.

The Place and Role of the SDC in the Soviet Power Structure

The membership of the Supreme Defence Council, as well as its role and powers, is kept in the utmost secrecy.

Soviet sources yield only two certain facts: that the SDC is appointed by the Presidium of the Supreme Soviet of the Soviet Union (in accordance with Article 121 of the Soviet Constitution of 1977), and that Brezhnev is Chairman of the SDC.

This study is based mainly on the conjectures of its author. Expressions such as " probably," " possibly," " it may be assumed that," etc., have been omitted for the simple reason that it would have been necessary to use them rather too often. However, the author has first hand experience of the highest Party, state and military authorities in the Soviet bloc and he feels that this personal experience will enhance the credibility of his assumptions and conclusions.

Membership of the SDC is a key factor in understanding its place and role in the Soviet power structure. There is considerable difference of opinion among Western authors as to the actual composition of the SDC. In the author's view, at the beginning of 1982, the Supreme Defence Council of the Soviet Union was composed of the following members: Brezhnev, Tikhonov, the late Suslov, Andropov, Gromyko, Kirilenko, Ustinov and Chernenko.

Marshals Ogarkov and Kulikov, or other high-ranking military commanders, heads of the departments of the Central Committee of the Party, or even Deputy-Premier Smirnov (chairman of the Military-Industrial Committee (MIC) of the Council of Ministers), are not members of the SDC for the simple reason that they are not members of the Party Politburo. The SDC is *de facto* an internal committee of the Politburo appointed to consider and resolve matters of grand strategy in political-military areas. Consequently the following question arises: since the SDC is an internal committee of the Politburo, why is it appointed by the Presidium of the Supreme Soviet in the Soviet Union and not by the Politburo itself? The reason for this is that in case of war the SDC would automatically transform itself into the State Defence Committee (GKO), which will wield both *de jure* and *de facto* supreme power, as it did during the Second World War. The Supreme Soviet, consisting of over 1,500 members, is, however, considered to be too numerous to be entrusted with a secret as important as the composition of the SDC's personnel. This is probably why it was decided that the SDC should be appointed by the Presidium

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of the Supreme Soviet which consists of only 38 members. Moreover, if the SDC is appointed by the Presidium of the Supreme Soviet, which is headed by the Secretary General of the Party, the scope of the latter's real powers is enhanced.

Another question arises: how can the SDC operate without a single true military professional among its members? Both the marshals (Brezhnev and Ustinov) and the one general (Andropov) who are members of the SDC are only titular soldiers. By way of explanation, it is worth mentioning that even during the war, the above-mentioned State Defence Committee also did not have a single true military specialist among its members.[1]

THE Soviet Politburo, by tradition, does not share power with any other body. Membership of the Supreme Defence Council confers a real share in the highest power centre in the Soviet Union. This is why when an expert opinion from men such as Ogarkov, Kulikov, Gorshkov or Smirnov is required (as it certainly frequently is) they are invited to attend meetings of the SDC itself.

What then are the real issues considered by the SDC? What is the scope of its tasks and powers and where is the demarcation line between the SDC's authority and that of the Ministry of Defence, the Collegium of the Ministry or the Main Military Council? And, finally, where is the demarcation line in activity and authority between:

— the SDC and the Council of Ministers?
— the SDC and the Politburo as a whole and the Secretariat of the Central Committee of the Party?

The SDC concerns itself with the most important issues of planning and implementation of the far-reaching political-military aims of the Soviet Union on a world-wide scale.

In particular the SDC investigates and resolves issues classifiable into the following five basic categories:

1. The doctrine. The political element of the Soviet war doctrine and that of the Warsaw Pact.
   This element defines: against whom, in what order and in what manner war should be prepared; when and by what means full preparedness for war can be achieved; basic aims and characteristics of the war and the main methods of conducting the war, including the nature and scope of deployment of Mass Destruction Weapons.[2]

[1] Voroshilov was more of a political commissar than a commander at the highest level; Beria, a KGB marshal, and Bulganin, a *politruk* marshal. Only Stalin, the Generalissimus, had been the *Polkovodets* (Great Troop Leader), as is even indicated in the *Soviet Military Encyclopaedia* (SME), Vol. 7 (Moscow, 1979), p. 515.

[2] Passages in italics constitute official Soviet definitions of these concepts. See SME (Moscow, 1977), Vol. 3, p. 225; V. D. Sokolovskii, *Soviet Military Strategy*, 3rd ed.,

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2. Potential. The general nature of the Soviet war potential and that of the Warsaw Pact countries, as well as that of the "World Socialist Community."
   The war potential consists of military, economic, scientific-technical and moral-political potentials.[3]
3. Military might. The status and development trends of the military might of the Soviet Union and its satellite states.
   The military might of a state is the totality of all its material and moral powers and its ability to mobilize these powers in order to attain the aims of the war.[4]
   This might expresses the war potential and is directly represented by the armed forces and their military strength.[5]
4. Personnel. The staffing of key positions in the armed forces, in the arms industry, and in military-scientific institutions.

Before we consider the SDC's fifth category of activity, the following three questions require some explanation. First, why is it that the SDC consists of only eight members? As mentioned before, for the duration of the war the SDC will transform itself into the State Defence Committee, a body which will have to take decisions in a highly efficient manner. Such efficiency is largely dependent on the number of members of which the body consists. Thus it would seem reasonable to limit the number of members further to, say, five persons, as was the case with the State Defence Committee during the Second World War.[6] But then the members of the State Defence Committee would constitute a minority in the Politburo, which would then have the power to reverse the decisions of the Supreme Defence Council.[7] The SDC constitutes eight of the 14 full (i.e. voting) members of the Politburo. This majority ensures that the SDC can exercise full control over the decisions of the whole Politburo, should the necessity arise. If the membership of the SDC were to be augmented by other Politburo members its authority would increase, but its operational efficiency would suffer considerably.

Secondly, what criteria determine the fact that the above-named members of the Politburo are in the SDC to the exclusion of others? After eliminating the alternate (i.e. non-voting) Politburo members,

English translation, Harriet Fast Scott (ed.) (Crane, Russak & Co., New York, 1975), pp. 2, 38, 47, 120, 133, 137, 194; A. A. Grechko, Marshal of the Soviet Union, *Vooruzhonnye sily sovetskogo gosudarstva* (Voenizdat, Moscow, 1975), pp. 340–41; S. N. Kozlov, major general, *The Officer's Handbook*, English translation (US Air Force, Foreign Technology Division, AD 733–207, 1971), pp. 25, 45.

[3] See SME, Vol. 6 (Moscow, 1978), pp. 473–77.

[4] See SME, Vol. 2 (Moscow, 1976), p. 183.

[5] The combat strength "has always been analysed and evaluated in comparison with the combat strength of the potential enemy," SME, Vol. 1 (Moscow, 1976), p. 513.

[6] Stalin, Beria, Molotov, Voroshilov and Malenkov. Later also Bulganin, Voznesenskii, Kaganovich and Mikoyan. See SME, Vol. 2 (Moscow, 1976), p. 623.

[7] Note that even Stalin, with his overwhelming power, also arranged for the majority of Politburo members to be included in the GKO. Only a few voting members of the Politburo remained outside the GKO.

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who therefore cannot be full members of the SDC, there are six full members of the Politburo who do not belong to the SDC. Four of these are chairmen of local or provincial Party committees (Grishin, Kunaev, Romanov and Shcherbitsky); Gorbachev is responsible for the Department of Agriculture, which is relatively the least relevant to the activities of the SDC; also of relatively little pertinence are those problems which fall within the scope of the Party Control Committee whose chairman is the remaining Politburo member, 83-year-old Pelshe. With the elimination of these people it is easier to justify the current eight-member composition of the SDC. The inclusion of Brezhnev, Tikhonov and Ustinov cannot be questioned. Also Andropov, whose department is closely connected with the SDC's scope of activities and who, as former head of the KGB, was also responsible for counter-intelligence supervision over the Soviet armed forces,[8] is naturally included. The late Suslov's position of Second Secretary of the Central Committee, i.e. the second person in the Party after Brezhnev, and hence second in the state, ensured his membership of a body as important as the SDC. The same reasoning applies to the Third and Fourth Secretaries of the Central Committee of the Party.[9] They are respectively Kirilenko[10] and Chernenko,[11] whose positions afford them a range of activity similar to the sphere of interests of the SDC.

Thirdly, apart from the SDC, are there any other internal committees within the Politburo? An affirmative answer to this question

[8] Under Andropov's control there are about 300,000 KGB Border Troops, and, via the Ministry of the Interior, 260,000 MVD Security Troops, both an integral part of the Soviet armed forces. (Figures from *The Military Balance 1981–1982*, IISS (London, 1981), p. 14.)

[9] It should be explained here how the author has determined the positions of the "Second," "Third," and "Fourth" Secretaries of the Party Central Committee. Their positions are clearly stated in the communiqué from the first plenum of the Central Committee which took place on 3 Mar. 1981 just after the 26th Party Congress, (*Pravda*, 4 Mar. 1981). Members of the Politburo, with the exception of Brezhnev, are listed in the communiqué in alphabetical order. The same also applies to the alternate members of the Politburo. However, the listing of the secretaries of the Central Committee is not alphabetical. They are in order of importance: following the name of the General Secretary came Suslov, then Kirilenko, followed by Chernenko. The name of another full member of the Politburo, Gorbachev, appeared in fifth place although, if the list had been compiled alphabetically, his name should have preceded all the others and appeared directly after Brezhnev's. The same method is used in listing the two remaining categories of secretary of the Central Committee: those who are alternate members of the Politburo and those who are mere members of the Central Committee. The latter list is headed by Kapitonov, although alphabetically he should have been preceded by Dolgikh and Zimyanin. The great importance of these ritual nuances of protocol has previously been noted by Avtorkhanov in his *Technology of Power*. (A. Avtorkhanov, *Tekhnologiya vlasti* (Posser Verlag, Frankfurt/Main, 1976), pp. 679–80).

[10] In domestic affairs, Kirilenko deals with Party organization and industrial management, and in foreign affairs with the economy of the Communist bloc; cf. *CPSU Politburo and Secretariat: Positions and Responsibilities. A Reference Aid.* CR-81-10183 (Apr. 1981), National Foreign Assessment Centre, CIA. Hereinafter *CPSU—A Reference Aid.*

[11] Chernenko is responsible for Politburo staff-work. Ibid.

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was given by Brezhnev himself in a speech delivered to the Twenty-Sixth Party Congress. He stated that:

> In certain circumstances the Politburo sets up special committees for the comprehensive investigation and generalization of specific problems and also for the purpose of efficiently resolving the relevant practical undertakings.[12]

Brezhnev suggests here, however, that *ad hoc* committees are formed only "in certain circumstances." The validity of this statement will be considered in a later part of this study. Now, since Brezhnev has confirmed the existence of such committees within the Politburo, we shall try to establish their number and nature.

It seems that the Politburo contains *at least* the following committees:

— Internal Security;
— National Economy;
— Ideology and Propaganda;
— Party Apparatus.

There is, however, one basic difference between the above-listed committees and the SDC. This difference lies in the fact that amongst all these internal committees of the Politburo there is only one, namely the SDC, which in case of war is designed to be transformed into a state administrative and military body of the highest authority. This is why all the other committees need only be set up by a resolution of the Politburo and not of the Supreme Soviet.

5. Foreign affairs. Amongst the above-mentioned committees of the Politburo there is none for foreign affairs, but such a committee does exist. It is, in fact, the SDC itself: foreign affairs constitute a fundamental category of the SDC's scope of activity. Since in present-day circumstances the political strategy of the Soviet Union and the Soviet bloc cannot be considered apart from its *military power*, this subject-matter is discussed primarily (though not exclusively) by the SDC.

Obviously different teams of experts are called upon to present their opinions, reports and proposals to the SDC, depending on the particular matter to be investigated. In one case Ogarkov could be the chief expert, in another Ponomarev, Rusakov or Arbatov.

It is difficult to imagine any body in the Soviet Union other than the SDC taking all the fundamental effective decisions on the subject of the invasion of Afghanistan, for example. In such cases, problems of a purely military-strategic nature are closely interwoven with political-strategic issues and questions of diplomacy.

[12] L. I. Brezhnev, *Report of the Central Committee of the CPSU to the Twenty-Sixth Congress of the Communist Party of the Soviet Union and the Immediate Tasks of the Party in Home and Foreign Policy* (Novosti Press Agency Publishing House, Moscow, 1981), p. 124. Hereinafter: Brezhnev, *Report to the Twenty-Sixth Congress.*

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Only by considering these problems in all their aspects and complexity could the SDC ensure that the optimal decision (from the viewpoint of Soviet imperial interests) could be taken. It is clear that before Angola, South Yemen or Ethiopia became Soviet vassals they must often have been the subject of Supreme Defence Council meetings and resolutions.

Similarly today, all the fundamental Soviet decisions concerning, say, the situation in the Persian Gulf area are undoubtedly taken by the SDC. The same is true of Soviet strategy concerning China, West Berlin, Rumania or Yugoslavia and, since August 1980, events in Poland.

THE heart of the matter is that *the Supreme Defence Council of the Soviet Union is the actual supreme authority in the whole Soviet empire.* This supreme power is not held by the fully constituted Politburo of the Central Committee of the Soviet Communist Party, nor is it held by any of its other internal committees, nor by bodies such as the Supreme Soviet or the Council of Ministers. *In practice, the SDC is placed above the Politburo as the real, supreme executive body, with authority over the Party, the administration, the armed forces and the whole of the Soviet Union and the Soviet bloc.*

Of all the issues connected with steering a country, questions of political-military strategy in international affairs at a global level are the most important in the Soviet Union, and these issues lie within the sphere of the SDC. This is the fundamental reason which determines the place and role of the SDC as the supreme power centre of the Soviet Union. In the light of this perspective, how can the significance of the other committees mentioned here be assessed? All these committees, each in its own field, are of great importance, and the decisions they take are of far greater weight than, for example, the decisions taken by the Council of Ministers of the Soviet Union. But, nonetheless, *it is the SDC which is the main centre of power* in the Soviet Union, since its members are also members of all the other listed committees. Obviously, each member of the SDC is not necessarily simultaneously a member of *all* other Politburo committees. There exists a very well defined division of responsibility. Each Politburo member is personally responsible for a particular section or sections (departments), and according to this responsibility he is a member of particular departmental internal committees of the Politburo.

In order to illustrate my argument about the prevailing role of SDC members within the Politburo, I shall refer to the composition of two other committees, which, after the SDC, are the most important in the power structure. They are the Committee for Internal Security and the Committee for the Party Apparatus. At the beginning of 1982 they are presumed to be composed of the following members:

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Committee for Internal Security	*Committee for the Party Apparatus*
1. Brezhnev	1. Brezhnev
2. Andropov	2. Andropov
3. Tikhonov	3. Kirilenko
4. Kirilenko	4. Chernenko
5. Chernenko	5. Pelshe
6. Pelshe	6. Grishin
7. Shcherbitsky	7. The late Suslov

If this is indeed the case, the clear majority in both these committees is held by SDC members. In the Committee for Internal Security the ratio is 5:2 and in the Committee for the Party Apparatus it is again 5:2. In this way, members of the SDC would constitute a majority in all the most important internal committees of the Politburo. These committees are of such importance because they direct the three fundamental pillars of the Soviet regime: the Party apparatus, the security services (political police) and the armed forces.

THE following questions arise: what purpose is served by the 22-person strong Politburo (comprising 14 full members and eight alternate members), while the power is *de facto* held by only eight of them? Why, in this case, is the Politburo not composed of only eight members who would be the formal as well as the real rulers of the Party (and the country)? The reason seems to lie in the fact that the Politburo must, by tradition, appear to be a representative body, in the sense that it must represent within its ranks (including alternate members) the main nations of the Soviet Union, and the more important local Party organizations. Otherwise it would be more difficult to explain why, for example, the Soviet Union has, for the last 28 years, been governed exclusively by the Slavs (with the exception of Mikoyan). This is why Pelshe, a Latvian, and Kunaev, a Kazakh, are formally full members of the Politburo, while Shevarnadze, a Georgian, Rashidov, an Uzbek, and Aliev, an Azerbaijani, are among the alternate members. But all five of these, with the possible exception of Pelshe, are Politburo figure-heads, and even Pelshe, who occupies an important and strong position within the Politburo, is not a member of the SDC, even though his Party career is the longest of all the Politburo members (it spans 66 years!). His presence in the Politburo as an old Bolshevik with a Party career stretching back to the time of the Revolution symbolizes the "Leninist continuity" of the Party leadership.

The Politburo of the Central Committee of the Communist Party of the Soviet Union functions through the activity of internal committees which have permanent status, and not, as Brezhnev would have us believe, on the basis of temporary appointment. This is so in the case of the SDC in particular, and other committees mentioned

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in this paper (this does not exclude the possibility of the existence of other *ad hoc* committees whose aims are to investigate specific single issues).

The system of highly-specialized functional committees at the highest levels of the Soviet power structure has a long tradition. This system was fundamental to the activities of the Stalinist Politburo over nearly 30 years of its existence. The practice was, however, condemned at the Twentieth Congress of the Communist Party of the Soviet Union as contradictory to the Leninist principle of collective leadership. Khrushchev, in his famous speech on "The Personality Cult and its Consequences," simply ridiculed the practice of creating committees within the Politburo, the various "Sixes," "Sevens" and "Nines," as incompatible with the Party statutes and ideology. It is for this reason that the functioning of internal Politburo committees is currently coyly concealed or at least their importance is minimized.

On the other hand, within the Council of Ministers, which is a government body, permanent committees are legally sanctioned, as this form of government was never objected to.[13] But the real sphere of power of these internal government committees is much more limited than the power of such committees within the Politburo.

THE Soviet Union is governed by a supreme body comprising the members and alternate members of the Politburo and those secretaries of the Party Central Committee who are not in the Politburo. In the official communiqués, their names—listed in a precisely determined order—precede those of all other members of the governing elite, i.e. the deputy-chairmen of the Presidium of the Supreme Soviet of the Soviet Union, the deputy-premiers, the ministers, marshals, etc.

This supreme ruling body can, in turn, be classified into four separate ranks or levels of authority according to the scope of the real power held by each, their position and influence in governing the Soviet Union:

1. The members of the SDC.
2. The Moscow-based members of the Politburo who are not in the SDC: Gorbachev, Grishin, and Pelshe. These three, together with the members of the SDC, comprise the permanent Moscow-based body of full Politburo members, the so-called "Eleven" who guarantee an absolute majority within the 14-member Politburo. In addition, this group includes the two country-based members of the Politburo, Romanov and Shcherbitsky, as well

[13] See SME, Vol. 7 (Moscow, 1979), p. 409, where it is stated that, "several permanent committees of the Council of Ministers of the USSR operate so as to achieve the functional efficiency and accurate preparation of proposals and projects for resolutions."

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as the five alternate members of the Politburo from Moscow, Ponomarev, Demichev, Solomentsev, Dolgikh and Kuznetsov.[14]

3. This category includes Kisclov who is First Secretary of the Communist Party of Belorussia and an alternate Politburo member, as well as Kapitonov, Zimyanin and Rusakov[15] who are secretaries of the Central Committee and do not belong to the Politburo.
4. This is a group of figure-heads who have no real influence on Politburo decisions: Kunaev, Aliev, Rashidov, and Shevarnadze. They are full or alternate members of the Politburo from Central Asia and the Caucasus who are Party first secretaries in their individual Soviet republics (in practice, they are not even the most powerful leaders in their own republics, since the real power is in the hands of the Moscow-sent Russians who formally occupy the position of Second Secretary of the Communist Party in these republics).

In a system with the high degree of centralization and concentration of power characteristic of the Soviet power structure, those at the highest level have to take decisions on a multitude of current issues. "The scope of those issues is exceedingly wide and complex, and their complexity is continually increasing" (from Brezhnev's speech at the Twenty-Sixth Party Congress).[16] In order to lighten the load of the eight-member leadership, other members of the Politburo are assigned less important functions and departments. Periodically they present reports of their activities to meetings of the fully constituted Politburo.

Finally, because of the hierarchical arrangement of the highest power-wielding authorities comprising the second, third and fourth ranks described above, the General Secretary of the Party has more scope for personnel manipulation. This enables him to consolidate his dominant position in the Soviet power structure.

BOTH Soviet and Western sources agree that, on average, the Politburo meets once a week. According to Brezhnev, in the period between the last two Party Congresses, the Politburo met 236 times.[17] However, nobody has furnished an answer to the following question: were these meetings plenary sessions of the entire Politburo membership, or not?

We presume that, in general, the members and alternate members

[14] They are responsible respectively for relations with non-ruling communist parties, culture, the government of the RSFSR, heavy industry, current affairs of the Presidium of the Supreme Soviet (Kuznetsov is First Deputy Chairman of this body). Source: *CPSU—A Reference Aid.*

[15] They are responsible respectively for Party staffing, culture, liaison with the Communist bloc. Ibid.

[16] Brezhnev, *Report to the Twenty-Sixth Congress*, p. 124.

[17] Brezhnev, op. cit., p. 123. During the same period, the CC Secretariat held 250 meetings. Ibid.

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of the Politburo attend its meetings properly prepared to consider the issues on the agenda of those meetings. For this purpose, prior to the meetings, members receive the relevant basic materials. Because of the importance of the problems considered by the Politburo, we feel justified in assuming that at least one day is needed for familiarization with those materials and consideration of attitudes and opinions on the matter in hand.

Thus every member and alternate member of the Politburo must devote at least two full days to preparation and participation in these meetings. For members such as Kunaev, Aliev or Rashidov, who are not resident in the capital, participation in such meetings requires an additional four to seven hours for a one-way trip to Moscow. In their case, therefore, each Politburo meeting must take up three days per week. However, their position as leaders of their republics and members of the Party and government apparatus of the republics requires a great deal of time.

This is why we can feel justified in concluding that the weekly Politburo meetings are *mostly* held in the absence of some of its members. Usually, it is the provincial and alternate members who are missing.

Thus, if we exclude these people from the majority of Politburo meetings, we see that basically, as far as full Politburo members are concerned, the meetings are attended by the members of the SDC, and Gorbachev, Grishin and Pelshe. On the other hand, the full plenary sessions of the Politburo take place probably not more frequently than once a month. On these occasions, in addition to resolving current issues, previous resolutions of the incomplete, capital-based subsection of the Politburo may be accepted *ex post*. The formal legitimacy of the predominant decision-making rump of the Politburo may be provided by new technical communication facilities put at the disposal of the absentee members. They may also be helpful to Brezhnev himself.

During the Second World War, the State Defence Committee (GKO), the Politburo, Stavka, and other high authorities in the Soviet Union, kept in touch with their subordinate provincial bodies mainly by using "VCh" telephone equipment of high frequency which made wiretapping of even openly-conducted conversations impossible.

Many years have passed since then, and now there is much more sophisticated equipment which precludes the possibility of tapping. This equipment, operating in the government telecommunications network between Moscow and the capitals of the republics and provinces, is run exclusively by the KGB Special Signal Troops. It enables the SDC or the Politburo to hold meetings with the participation of members who are not in Moscow. They can hear the entire proceedings and at any time they can join in the discussions, thus being able to participate fully in the sessions without the necessity of commuting to the capital.

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Brezhnev and other Soviet leaders who every year spend an increasing proportion of their time in the Crimea, can, thanks to this equipment, not only keep up to date with the decisions taken by the SDC, the Politburo and the Secretariat of the Party Central Committee in Moscow, but can also personally and actively influence these decisions. Brezhnev, while staying in the Crimea, can even chair the various Moscow meetings of the SDC, the Politburo, the Secretariat of the Party Central Committee and the Presidium of the Supreme Soviet, i.e. all the bodies of which he is chairman. However, in moments of crisis which require the taking of important decisions of a crucial nature, usually such decisions must be taken at a meeting of the SDC with all members, or at least the required majority, present to cast their votes in person.

The Tasks and Powers of the SDC

Western authors evaluate the SDC's tasks and powers in different ways, but as a rule they dismiss them in one or two generalized sentences.[18] My view is as follows: all bodies constituting Soviet authority, including those at the highest levels, are extremely institutionalized. This is achieved partly by systematically updated and detailed instructions and regulations which formulate precisely the scope of their activities, tasks, and powers.

The SDC has its own written set of instructions which are approved by the Party Politburo and the Presidium of the Supreme Soviet of the Soviet Union. In particular, these instructions contain a precise list of matters which are subject exclusively to the decisions of the SDC. This list includes the five categories mentioned above, further broken down into the following points, which cover most, but by no means all the issues:

1. The political element of the Soviet war doctrine.

[18] These usually amount to statements that the SDC is an advisory body of the Politburo. Only J. M. Collins sees the SDC as a higher authority comparable to the National Security Council of the USA, whose chairman is the President of the USA. See J. M. Collins, *US-Soviet Military Balance, Concepts and Capabilities, 1960–1980* (McGraw Hill Publications, New York, 1980), p. 71. Other authors have a tendency to minimize the significance of the SDC. For example, Jerry F. Hough in *How the Soviet Union is Governed* (Harvard University Press, Cambridge, Mass. and London, 1979), which contains 679 pages, devotes only six sentences to the SDC. Yet other authors neglect altogether the existence of the SDC. See for example: Stephen S. Kaplan et al., *Diplomacy of Power, Soviet Armed Forces as a Political Instrument* (The Brookings Institution, Washington DC, 1981), 733 pp.; Donald R. Kelly (ed.), *Soviet Politics in the Brezhnev Era* (Praeger Special Studies, New York, 1980), 269 pp.; Peter Gosztony, *Die Rote Armee, Geshichte und Aufbau der sowjetischen Streitkräfte seit 1917* (Fritz Molden, Wien, 1980), 447 pp. or such articles as: Shane E. Mahoney, "Military Decision-Making in the USSR: the Empirical Past and Conceptual Present," in *Armed Forces and Society*, Vol. 3, No. 2 (Feb., 1977), pp. 272–293; Uri Ra'anan, "Soviet Decision-Making and International Relations," in *Problems of Communism*, Vol. 29 (Nov.–Dec. 1980), pp. 41–47. Many more such books and articles dealing with Soviet military decision-making omit the key institution concerned in this subject, namely the Supreme Defence Council of the USSR.

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2. The proportion of the budget which is devoted to military aims. (This concerns not only finance, but also the allocation of raw materials, semi-finished goods, units of energy, production power, scientific-technical potential, distribution of managerial staff and workers, etc.).
3. General man-power of the Soviet armed forces; distribution of man-power between particular armed services; the quantity and quality of basic armaments and equipment; proportion of nuclear to conventional forces (and inside the nuclear forces, the proportion of tactical to operational-tactical to strategic weapons); organizational structure of the fundamental parts of the armed forces (e.g. tank and motor rifle divisions, divisions of the Strategic Rocket Troops,[19] divisions of the National Air Defence Forces, etc.).
4. All decisions pertaining to production, research and development; the size and allocation of stockpiles and deployment of all types of Mass Destruction Weapons [20] including nuclear and thermonuclear weapons.
5. The map of nuclear targets and all changes on it. This map contains, in all its variants, targets for the Soviet strategic nuclear forces located in NATO countries, China, and other parts of the world.
6. General guidelines for the disposition of the armed forces in potential theatres of war.[21] This includes, among others, the number and type of divisions and other forces generally to be disposed in the European theatre of war, embracing considerations of allocations to the three basic theatres of operations (North European, Central European, and South European); the number and type of forces to be stationed on the border with China [22]; the extent of the concentration of Soviet forces in the area of the Persian Gulf; the percentage of Soviet nuclear submarines with SLBMs to maintain a constant presence in the

[19] The question of the number of SS-20 missiles to be included in each division of the Strategic Rocket Forces cannot be resolved without a special resolution by the SDC. The TOE of the mentioned divisions, as well as other units of the Soviet armed forces, are put in by an order of the Defence Minister or even of the Chief of the General Staff, but all such important changes, in their preliminary stages, belong within the jurisdiction of the SDC.

[20] Today, as explained in SME, apart from the known triad of Mass Destruction Weapons (nuclear, biological and chemical), there exist in addition eight to nine other categories of such weapons. Among these are included infrasound, laser, radio-frequency, and others. See Vol. 3 (1977), p. 574; Vol. 5 (1978), p. 38; Vol. 6 (1978), pp. 128–29. All principal decisions regarding R & D, production, distribution, etc., mentioned above, and others, such as neutron weapons, are strictly reserved for the SDC.

[21] According to *Soviet Military Power* (Department of Defence, Washington DC, 1981), p. 16: " In order to simplify the planning for war, the Soviets have divided the world into 13 Theatres of Military Operations, or TVDs."

[22] In the last 10–15 years the number of Soviet divisions on the border with China increased from 15 to 45. It is clear that each decision concerning this matter had been taken in the first place by the SDC.

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oceans, with an allocation to the major potential theatres of war at sea.

7. The military strength of satellite countries' armies.
8. The size and scope of Soviet military aid to Third World countries, and non-European political allies of the Soviet Union.
9. Level of combat, operational and mobilizational readiness [23] of the Soviet armed forces and those of the Warsaw Pact countries.
10. Key issues of research and development in the area of cosmic war.
11. Key issues concerning the development of anti-ballistic missiles (in the system of National Air Defence), as well as the deployment of fixed missile sites for them.
12. The extent of military and financial assistance to various "national independence movements" and terrorist organizations such as ETA, IRA, PLO, various African, Asian, and South American national, separatist and semi-terrorist organizations (not necessarily communist or even left-wing).
13. Basic guidelines concerning the Soviet position on arms limitation or reduction negotiations such as SALT and others.
14. Main directions to the development of the Civil Defence System, including shelter-building programmes for the population, plans for evacuation in case of war, etc.[24]
15. The scope, aims, characteristics, and means of Soviet military intervention (e.g. in Afghanistan).
16. All fundamental changes concerning the powers and scope of activity of the Party-political apparatus in the armed forces.
17. In matters concerning personnel:
    (a) nominations for the post of army commander or equivalent (for example, commanders of field, tank and air armies, flotillas, etc.) and higher, and their deputies in political affairs;
    (b) promotions to higher military ranks, commencing with Colonel-General (three-star general) [25];
    (c) in the armaments industry and in civilian military-scientific institutions, nominations for the positions of main

[23] According to Soviet military doctrine, the readiness of the armed forces is a factor which today can determine the outcome of war.

[24] The temporary Civil Defence doctrine of the USSR assumes that in wartime the urban population, especially of the larger cities, will disperse around their cities in the so-called "Suburban zones of civil defence," see SME, Vol. 3 (1977), pp. 423–24. The list of cities or, at least, the criteria for their selection, has undoubtedly been decided by the SDC.

[25] Formally beginning with Lieutenant-General (two-star general). By way of comparison, in Poland each promotion to higher military ranks, starting with Brigade-General (one-star) must be approved by the Party Politburo. See ANEKS, No. 26 (1981), p. 47. But the Polish army has about 10 times fewer generals than the Soviet army.

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administrative chiefs (*Glavk*) and above, and main constructors [26] for various types of armaments.

This by no means comprehensive list of matters reserved for consideration by the SDC reflects the high concentration of power and extreme importance vested in the SDC. In its hands are concentrated all decisions concerned with the key issues of world political strategy, the armaments industry and military research in the Soviet Union and, to a certain degree, in the satellite and semi-independent countries.

HOW do members of the SDC find the time to investigate and decide on so many matters of such importance? As we know, one of the most important factors, indispensable to strategic decision making (and doubtless all, or nearly all, decisions taken by the SDC are of a strategic nature), is the comprehensive information provided by strategic intelligence. It so happens that there are five main categories of strategic intelligence in the Soviet Union, and all of them are directly or indirectly led by particular members of the SDC. These are:

1. Military-strategic intelligence led by the Chief Intelligence Agency (GRU) [27]—Ustinov.
2. Political and military-strategic intelligence led by the Central Office of the KGB [28]—Andropov (now unofficially, through Fedorchuk).
3. Strategic-economic intelligence led by the Ministry of Foreign Trade and other administrative and scientific institutions at the central level [29] which come under the Council of Ministers—Tikhonov.
4. Strategic-diplomatic intelligence led by the Ministry of Foreign Affairs and various bodies and scientific institutions under its authority—Gromyko.
5. Strategic Party-political intelligence led by the Foreign Department of the Central Committee of the Party and other Party institutions at the central level; the results are reported to Ponomarev, while within the SDC Suslov used to be responsible for this type of intelligence.

[26] In Russian: *generalnyi konstruktor.*

[27] The GRU is under the direct control of the Chief of the General Staff. See *US Senate, Foreign and Military Intelligence*, book 1 (26 Apr. 1976), pp. 560–61; National Foreign Assessment Centre, CIA, *Organization of the USSR Ministry of Defence, A Reference Aid*, CR 78-15257 (Dec., 1978) (hereinafter *Reference Aid*, CR 78-15257), p. 4.

[28] See *US Senate*, op. cit., pp. 557–62.

[29] Such as, for example, the VINITI or MCNTI—The International Centre for Scientific and Technical Information of Comecon. See S. A. Gavrilova et al. (eds.), *Mezhdunarodnaya sistema nauchnoi i tekhnicheskoi informatsii stran chlenov SEV, MCNTI* (Moscow, 1981), pp. 144.

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The above is illustrative of two conclusions. First, that the SDC plays the part of a *de facto* central, highest authority which coordinates the activities of all Soviet intelligence agencies [30] and accumulates all the results. Secondly, that each member of the SDC has, in his own field, a full service of intelligence information from the bodies he directly or indirectly controls. This enhances his independence and speeds up the process of formulation of his views on issues which will be the subject of deliberation for the SDC.

Independently of the personal knowledge, qualifications and expertise of SDC members in matters falling within the scope of this body's activity, and independently of the five intelligence networks mentioned above which back them up, the SDC relies heavily on the Soviet Union's best experts in particular fields. In military affairs these are, for example, Marshal Ogarkov and his deputies, including, among others, General of the Army Ivashutin (head of GRU),[31] and Commanders of the Armed Services Divisions such as General of the Army Tolubko,[32] Admiral of the Soviet Fleet Gorshkov,[33] or Marshal Koldunov.[34] Marshals Sokolov and Kulikov also participate in SDC meetings as advisors or experts (without, of course, the right to vote). Since, as we have mentioned before, the SDC does not have any professional soldiers among its members, the opinions of military experts are of particularly great importance. This is why, even though one can assume that the most important decisions pertaining to the armed forces are made exclusively by the SDC, the Soviet generals, using their expert knowledge in the military field, are in a comparatively strong position to influence the SDC to make decisions which are in line with the aspirations of the leading elite in the armed forces. This monopoly of information in strategic-military fields held by the Soviet generals arises, among other reasons, from the fact that the Secretariat of the Central Committee of the Party does not contain anybody which parallels the activities of the Ministry of Defence (in the same manner as, for instance, the Ministry of Foreign Affairs is paralleled by the Foreign Affairs Departments of the Party Central Committee now headed by Ponomarev and Rusakov).[35]

This privileged position of the Soviet military lobby vis-à-vis the SDC does not, however, stretch as far as Avtorkhanov's postulation would suggest. He argues in *The Technology of Power* that:

[30] And not only Soviet, but also the East European Security and Intelligence Services, see *US Senate*, op. cit., pp. 561–62. And undoubtedly such services from Cuba, Vietnam, etc.

[31] He was, for many years, the First Deputy of the KGB. He has held the GRU position since March 1963. See *Reference Aid*, CR 78-15257.

[32] C-in-C of the Strategic Rocket Forces.

[33] C-in-C of the Naval Forces (he has held this position since February 1962). Ibid. Undoubtedly, the veteran of the Soviet High Command.

[34] C-in-C of the National Air Defence Forces.

[35] The Main Political Directorate (MPD) of the Soviet armed forces is under the immediate control of the General Secretary of the CC of the CPSU.

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It can now be established that the powers held by the (Soviet) armed forces encompass the following issues (or that the armed forces have the right to veto any decisions pertaining to these matters):

1. strategic planning and strategic leadership;
2. determination and planning of military-industrial establishments;
3. determination of policy within the countries of the Warsaw Pact;
4. determination of the course and priorities in Soviet foreign policy.[36]

One can agree with Avtorkhanov about the first and partly about the second point; however, the proposition that the armed forces hold the right to veto decisions on issues contained in points 3 and 4, can only be regarded as absolutely untrue. These are matters reserved exclusively for the SDC, and whether or not the Soviet generals like the SDC's decisions on those issues, they have to conform to them unconditionally.[37]

IN order that the SDC can take optimum decisions at the right time, its members are given up-to-date information concerning any events, changes, and developments in all fields of SDC activity. We have already mentioned the SDC's access to intelligence information. Other kinds of information from the world, and from within the Soviet empire, are regularly delivered to its members in the form of several specialized daily bulletins issued by the Secretariat of the Party Central Committee, KGB Headquarters, the Ministry of Defence, the Ministry of Foreign Affairs, the Military-Industrial Committee (MIC) of the Council of Ministers, and other central authorities.

Independently of this information system, all ministries, and other bodies which are directly subordinate to the SDC, have, at appointed times, to present written reports of their activities with particular regard to the implementation of SDC resolutions. In addition, the Ministry of Defence is obliged to inform the SDC immediately about "events of particular importance" which have occurred in the armed forces during the preceding 24 hours.

THE long-range work programme of the SDC is formulated prior to, and synchronized with the three main categories of the planning cycle in the Soviet national economy: the annual, the five-year, and

[36] A. Avtorkhanov, op. cit., p. 791.

[37] On this question I agree with the opinion of Professor Seweryn Bialer: "It seems to me that the authors dealing with Soviet affairs—including myself—often exaggerate the influence of the military on Moscow politics. I am of the opinion that the Party-government leadership remains the main factor, which likewise supervises the armed forces. The military leadership accepts this situation." Interview with S. Bialer, Radio Liberty and Radio Free Europe, published in the Polish journal *Orzel Bialy—Na Antenie* (London, May 1981), pp. 22–23.

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the long-range.[38] Thus, each time the main foundations of every five-year plan are initially determined at SDC meetings (particularly those concerning military matters). It is here (although not only here) that the main decisions concerning the proportion of "guns" to "butter" are taken. Naturally, these key decisions are taken after not one, but several SDC meetings where, according to the subject in hand, the relevant heads of various departments of the Party Central Committee (such as Savinkin,[39] Frolov,[40] or Listov [41]), deputy-premiers (including Smirnov), ministers, marshals, generals, and other experts are present.

Resolutions taken by the SDC are not always publicized as such. According to the legislation and statutes of the highest legislative and executive authorities in the Soviet Union and the statute of the Communist Party of the Soviet Union, and according to the subject-matter of the resolution, its character and degree of secrecy, it can either be published as a resolution of the SDC or as one of the following [42]:

— a resolution of the Politburo of the Central Committee of the Party;
— a resolution (*Ukaz*) of the Presidium of the Supreme Soviet;
— a resolution (*Postanovlenie*) of the Soviet Council of Ministers;
— a resolution of the Party Central Committee;
— a joint resolution of the Party Central Committee and the Council of Ministers;
— a resolution of the head of the KGB;
— an order of the Minister of Defence;
— a disposition of the Minister of Foreign Affairs;
— a resolution of the Military-Industrial Committee of the Council of Ministers;
— a resolution of the Central Committee Secretariat.

Since each of these bodies is headed directly or indirectly by an SDC member, and its collective leadership is purely fictitious, the publication of SDC resolutions under the names of these authorities is extremely easy and efficient.

Here are a few examples of SDC resolutions proclaimed by other bodies:

(a) Promotions to the highest military ranks. Ranks up to and

[38] A sample of long-range (very long-range) planning in the USSR: "The complex programme of scientific-technical progress and its social-economic after-effects on the period 1976–1990," see S. A. Tyushkevich (ed.) et al., *Sovetskie vooruzhennye sily* (Voenizdat, Moscow, 1978), p. 455.

[39] About the role of Savinkin, Head of the Administrative Organs Department of the Party CC Secretariat, see *Political Control of the Soviet Armed Forces*, Research Paper, National Foreign Assessment Centre, CIA, SR 80-10058U (Washington DC, 1980), pp. 4–5.

[40] Head of the Machine-Building Department of the Party CC.

[41] Head of the Chemical Industry Department of the Party CC.

[42] Or it can be executed via secret channels.

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including Colonel-General (three-star general) and Admiral are statutorily confirmed by the Council of Ministers. Higher ranks, such as General of the Army, Admiral of the Fleet, and Marshal, are nominated by the Presidium of the Supreme Soviet. It is simply unimaginable that this is really so. It is beyond doubt that all such decisions devolve first from the SDC and are only afterwards sent for formal approval to the appropriate state authorities.

(b) Introduction of new basic types of armaments such as the T-72 tank (or the latest T-80 model), the SS-20 missile, the "Backfire" plane, and "Hind-D" helicopter were introduced into the Tables of Organization and Equipment (TOE) by order of the Minister of Defence. Previously, however, they must have been discussed at length and approved by the SDC after investigations which must have included field-trips to assess the advantages of these new models.

(c) Announcement of partial or full mobilization. According to the constitution, mobilization can be ordered only by the Presidium of the Supreme Soviet. However, it is patently obvious that in practice it is the SDC that must take such a decision in the first place.

To recapitulate, the following conclusions can be drawn from our deliberations concerning the division of power among the SDC and other authorities in the Soviet Union:

1. The SDC is, *de facto*, the highest power-wielding authority in the Soviet Union.[43] It is the only body entitled to make decisions on all matters, without exception, pertaining to the world-wide political strategy of the Soviet empire, to its armed forces, and to the war potential of the Soviet Union and the whole of the Soviet bloc.
2. All other high Party, state, and military authorities, without exception, occupy one of the following positions in relation to the SDC:
   (a) as headquarters for the preparation of certain aspects of the decisions;
   (b) as authorities which automatically approve the resolutions of the SDC and often lend their names to those resolutions;
   (c) as institutions and bodies assigned directly to manage and supervise the implementation of SDC resolutions in their own fields.

This is also true of the fully constituted Politburo of the Communist

[43] All East European countries also have their national Supreme Defence Councils. But in the non-Soviet Warsaw Pact countries they do not have the power of the SDC in the USSR. In these countries the main channels of power are really the national Politburos of their communist party, or groups close to the First Secretary.

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Party of the Soviet Union. This body is, as we have attempted to show, completely dominated by those of its members who are also members of the SDC.

The Role and Significance of the Decision-Makers' Advisors

By talking about the numerical domination of the Politburo by members of the SDC and about the fact that those people also numerically dominate all of the other most important internal committees of the Politburo, I did not mean to suggest that all the resolutions of the Politburo or its internal committees are taken by vote. In fact this is not so. In practice, after discussing any given subject-matter, it is Brezhnev who does the summing up and determines the final text of the resolution. As a rule, *there is no casting of votes whatsoever, neither in the SDC meetings nor in the meetings of other internal Politburo committees nor, indeed, in the plenary sessions of the Politburo.* Brezhnev's last word on each matter is binding, even when it is apparent from the discussion that the opinion of the SDC majority, or even of the majority of Politburo members, is different.

However, this rule has its exceptions. In dramatic crisis situations, when decisions of historic importance are at stake, such as, for example, the 1968 invasion of Czechoslovakia, the decision is made by voting. This occurs not only in the sessions of the SDC, but also in plenary sessions of the Politburo.

THE average age of an SDC member is over 73 years. Many years of work in the highest and most responsible positions in the Soviet Union affect both the physical and mental health of the SDC members. They are forced to conserve their energy and to rely, to an ever increasing extent, on their immediate advisors and aides. This naturally increases the role and powers of those advisors and aides.

As far as Brezhnev is concerned, apart from permanent advisors he also has assistants with the title of "Assistant to the General Secretary" or "*Referent* to the General Secretary." From the order in which they are listed in the official records, Brezhnev's assistants can be divided into three categories:

1. those who are simultaneously members of the Party Central Committee (e.g. A. M. Aleksandrov and G. Z. Tsukanov);
2. those who are simultaneously alternate members of the Party Central Committee (e.g. A. M. Blatov);
3. those who are neither full nor alternate members of the Party Central Committee.

There is also a fourth, and probably least important category of Brezhnev's advisors with the title "*Referent*," of which E. M. Samoteykin is an example. The often nameless advisors, assistants and

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aides also play an increasing part in matters falling within SDC jurisdiction. The same is probably true, to a lesser degree, of a galaxy of personal advisors and assistants working for Kirilenko and Chernenko. The four remaining SDC members (Tikhonov, Andropov, Gromyko and Ustinov) are not so dependent on their personal assistants and advisors, because they have respectively at their disposal the following collective advisory bodies:

— Presidium of the Council of Ministers;
— Collegium of the KGB;
— Collegium of the Ministry of Foreign Affairs;
— Collegium of the Ministry of Defence and the Main Military Council (GVS) and also the Group of General Inspectors of the Ministry of Defence.

Three of the above mentioned advisory bodies serve the Minister of Defence.

Collegium of the Ministry of Defence (DMC)

The Soviet Military Encyclopaedia (SME) reveals that this Collegium is composed of:

> the deputies of the Minister of Defence, the head of the Main Political Directorate (MPD) and some other leading figures in the Ministry of Defence. The Minister of Defence is Chairman of the Collegium. The collective decisions taken by the Collegium are usually implemented by order of the USSR Defence Minister.[44]

These "other leading figures in the Ministry of Defence" are most probably:

1. Head of the Chief Directorate for Military Counter-Intelligence; [45]
2. the First Deputy of the Chief of the General Staff; [46]
3. the First Deputy of the Head of the MPD; [47]
4. the Chief of the Main Intelligence Directorate (GRU); [48]
5. the Head of the Main Personnel Directorate.[49]

Altogether the Collegium numbers at least 20 members including the Minister of Defence, and provides the actual executive leadership of

[44] See SME, Vol. 5 (Moscow, 1978), p. 295.
[45] In Russian: *Glavnoe upravlenie osobykh otdelov v vooruzhennykh silakh SSSR*. The name of the head of this organ is strictly secret.
[46] But which of the first deputies? The Chief of the Soviet General Staff has at least three first deputies. Probably it concerns the First Deputy responsible for the Main Operational Directorate. Army general A. Antonov, former Chief of the Soviet General Staff, 1945–46, was later First Deputy to the Chief of General Staff, and has been a member of the Collegium of the Defence Ministry. See SME, Vol. 1 (1976), p. 213.
[47] This position was held since 1974 by Colonel-General G. V. Sredin, see *Organization of the USSR Ministry of Defence*, op. cit., p. 6; but at present it is probably held by Admiral A. I. Sorokin.
[48] Army general P. I. Ivashutin.
[49] Army general I. N. Shkhadov, see *Organization*, op. cit., p. 9.

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the Ministry of Defence. It meets regularly, on average once a week. Marshals, generals, admirals and civilian specialists in the area of the armaments industry,[50] who are not members of the Collegium, are invited to its meetings as experts to report and advise on particular issues under consideration.

The principal duties of the Collegium include:

(a) investigation of the most important issues in the field of current and long-range leadership of the Soviet and Warsaw Pact forces, the armament industry and the Soviet scientific-military research system;
(b) preparation of various materials, mainly drafts of resolutions to be approved by the SDC, on matters which are of interest to the Ministry of Defence;
(c) recommendation of ways in which to implement those resolutions approved by the SDC or by other SDC-controlled authorities.

Again, as in the case of other bodies discussed previously, the decisions taken by the Collegium are not arrived at by the casting of votes, but on the recommendation of the Chairman—the Minister of Defence.

Formally the members of this Collegium are nominated by the Party Central Committee and the Chairman of the Council of Ministers, but in fact, they are chosen by the SDC on the recommendation of the Minister of Defence. In cases of difference of opinion between the Collegium members and the Minister, the members have a statutory right to report their objections directly to the Premier and the Party Central Committee (avoiding the normal channels through the Minister of Defence), or even directly to Brezhnev. An appeal of this type does not halt the Minister's decision on a particular issue, unless his superiors recognize the validity of the objections.

In case of war, the Collegium is to form an organ called the *Stavka* [51]—the supreme authority for strategic leadership of Soviet and Warsaw Pact armed forces and simultaneously the direct executive body of the State Defence Committee, which, in turn, is to be formed by the SDC.

The Main Military Council (MMC)

The Soviet Military Encyclopaedia (SME) states: "The Main Military Council is an advisory body of the Ministry of Defence during peacetime." [52] The SME goes on to describe only the historical de-

[50] About decision-making in armaments matters see: Arthur J. Alexander, *Decision-Making in Soviet Weapons Procurement*, Adelphi Paper 147–148, IISS (London, 1978–79), and *Modelizing Soviet Defence Decision-Making*, Rand Paper, P-6560 (December 1980); Michael Checinski, *A Comparison of the Polish and Soviet Armaments Decision-Making Systems* (The Rand Corporation, 1980).

[51] But it does not mean that all members of the Collegium of the Ministry of Defence are automatically members of the *Stavka*.

[52] Vol. 2 (1976), p. 566.

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velopment of this body without any information concerning its current role and aims. So, once again, the field is open to speculation. Some Western authors:

(a) confuse the Main Military Defence Council with the Collegium of the Ministry of Defence and identify the two as one body [53];
(b) ascribe inflated status to the MMC or even take this body to be the supreme authority of the day-to-day leadership of the armed forces [54];
(c) include Brezhnev and other Politburo members among members of the MMC, on the basis of historical precedent.

The truth of the matter is that the Main Military Council (which since its inception around 1917 carried various names and various powers) [55] is today a purely decorative body whose status is not even advisory. It serves as a body when resolutions previously taken by the SDC, the Minister of Defence or the Collegium of the Ministry of Defence, are discussed and the ways of implementing them are considered. It cannot take a stand on whether or not decisions previously made are right or not. The membership of the Main Military Council consists of:

(a) all members of the Collegium of the Ministry of Defence;
(b) the first deputies of:
    — the Chief of the General Staff;
    — all the other deputy ministers of defence and the Head of the MPD;
(c) the commanders and chiefs of all the main armed services (e.g. commanders of the Tank Troops, the Airborne Forces, the Chemical Troops, etc.);
(d) the heads of some important central organs of the Ministry of Defence (e.g. the Head of the Main Directorate for Military Schools, the Head of the Main Finance Directorate);
(e) the Head of the Group of the General Inspectors and his first deputies;
(f) the Commanders-in-Chief of the Soviet Groups of Forces abroad and their first deputies;
(g) the Commanders of: Military Districts, Districts of National

[53] For example, Harriet Fast Scott and William F. Scott, *The Armed Forces of the USSR* (Westview Press, Boulder, Colorado, 1979), p. 99.

[54] For example, David C. Isby, *Weapons and Tactics of the Soviet Army* (Jane's, London, 1981), p. 15; Christopher Donnelly, "The Organization of Soviet Forces," in *The Soviet War Machine*, Stewart Menaul (ed.) (Salamander Books, London, 1980), p. 28; Arthur J. Alexander, *Decision-making in Soviet Weapons*, op. cit., p. 7; and other Western authors.

[55] For the historical context, see: V. D. Sokolovskii, *Military Strategy*, 3rd ed., English translation, edited, with an analysis and commentary, by Harriet Fast Scott, (Crane, Russak & Co., New York, 1975); John Erickson, *The Soviet High Command* (London, 1965); Malcolm Mackintosh, *Juggernaut: a History of the Soviet Armed Forces* (London, 1967); collective authorship, *50 let vooruzhennykh sil SSSR* (Moscow, 1968); Tyushkevich (ed.), op. cit.; SME, Vol. 2 (1976), pp. 556–57.

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Air Defence and Commanders of the Fleet (and probably their political deputies);

(h) the Chairman of DOSAV.

In total the Main Military Council consists of 90 or more marshals, admirals and generals.

SUCH a numerous body, with its members scattered from the Elbe to Vladivostok, can by its very nature meet rarely, probably not more than a few times a year. Formally nominations for membership of the Main Military Council are put forward by the Minister of Defence and the Head of the Main Political Directorate, and approved by the Party Central Committee and the Council of Ministers, while in practice these nominations are made by the SDC. The powers of the MMC members are theoretically similar to those of the members of the Collegium of the Ministry of Defence. In fact, since all the issues considered at MMC meetings have been previously discussed and resolved by the Collegium of the Defence Ministry, and sometimes by the SDC, any objections an MMC member might have and his appeal to higher authorities are not and cannot be taken into account, so previously accepted resolutions cannot be amended. These resolutions are also implemented by order of the Minister of Defence. There are no provisions (not even statutory ones) for voting.

Group of General Inspectors (GGI)

In the Western literature on the subject, the Group of General Inspectors is often identified with the Main Military Inspectorate of the Defence Ministry. This is an error. The two bodies have nothing in common except, perhaps, a similarity in their names. While they are both subordinate to the Minister of Defence, the scope of their activities differs significantly.

The GGI is a quite unique military institution. It is made up of the Soviet marshals, three-, four- and five-star generals and admirals of retirement or post-retirement age who work for the Soviet armed forces virtually to the death. High-ranking military commanders and chiefs, who because of their age or ill-health cannot follow an active profession, are invited to join the GGI on a purely voluntary basis. The many years of military experience these men have are considered a great asset to creative desk-work, which greatly benefits the Soviet armed forces. It is sufficient to mention a few names of living or deceased marshals who were members of this body in order to appreciate the practical military experience of GGI members: Rokossovsky, Konev, Bagramyan, Chuykov and Batitsky.

The GGI fulfils an extremely important role as a collective consultative body on matters investigated by the Collegium of the Ministry of Defence and the SDC. It also serves the Minister of Defence,

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Ustinov, as a personal and highly reliable team of advisors. Ustinov, who is a specialist in the field of the armaments industry, but a layman in matters of military leadership, with the purely titular rank of marshal, has the above-mentioned three collective bodies serving in an advisory capacity. Of these three, only two, the DMC and the GGI, are of real importance and provide the Minister of Defence with back-up on purely strategic-military matters, so that he can make the best decisions.

The General Staff of the Soviet Armed Forces (GS)

In considering the place and role of the General Staff, we shall begin with the head of this body, the Chief of the General Staff (ChGS). This position, second in order of importance after the Minister of Defence, is currently held by Marshal Ogarkov.

The ChGS is the first (i.e. the most important) of all the deputy ministers of defence. These positions are presently occupied by (apart from Ogarkov) Marshals Kulikov and Sokolov, and also General Epishev (even though he does not officially hold this title). The ChGS deputizes for the Minister of Defence in his absence. He is the best informed of all the Ministry of Defence personnel on all currently important matters in this department. Ogarkov is in fact better (much better) informed on these matters than is the Minister of Defence himself, since he knows as much as the Minister, and his knowledge extends to many matters of which the Minister is not informed, either because they are not of sufficient importance, or simply because the Minister has not yet been informed about them. The fact that Ogarkov knows as much as Ustinov is a result of the demands of the Soviet war doctrine at all levels of command. The doctrine states (and this is incorporated into the rules and regulations) that the commander has to inform his subordinate chief-of-staff about all current decisions and orders (those not issued through the Chief-of-Staff) and even of his intentions and plans. This rule is binding for each Soviet commander, including the Minister of Defence, only in relation to the Chief-of-Staff, but not in relation to other deputies and aides who should be informed by the Minister only of those aspects of his decisions and intentions which are concerned with their particular department and area of responsibility. As for Ogarkov's knowledge of matters of which the Minister of Defence, Ustinov, is not informed, this results from the practice of relieving the Minister of Defence of the day-to-day task of taking decisions on issues of lesser importance, and, so as to reduce the frequency with which he receives his 34 marshals, admirals, and generals who are directly under his command, to listen to their proposals and reports, the Minister delegates some of his powers to his deputies, mainly to his first deputy ministers, including the Chief of General Staff.

In practice, the Chief of General Staff has to countersign each draft

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of the Minister's instructions, orders, or dispositions before it is signed by the Minister himself. (Some orders of the Minister of Defence, on strategic-operational or organization-mobilization matters, for instance, must be co-signed by the Minister and the Chief of General Staff in accordance with the "Statute of the Ministry of Defence of the Soviet Union.") Additionally, it is established practice for all the 14 deputies of the Minister of Defence to agree their drafts with the Chief of General Staff in order to have his approval before seeing the Minister. In this way, the Chief of General Staff has *prior* knowledge of all the important matters presented to the Minister of Defence.

ALL this determines the role and position of the Chief of General Staff in the SDC's decision-making process. Next to the Minister of Defence, Ogarkov is the most frequent representative of the armed forces at SDC meetings. The views of the Chief of General Staff carry great weight, especially in strictly military-strategic matters. Even though Ogarkov, as we have mentioned before, is not a member of the SDC and does not have the right to vote, his opinions may have crucial influence on the resolutions and decisions of the SDC.

It is not by accident that the General Staff of the Soviet armed forces, which is subordinate to Ogarkov, carries this particular name. The name reflects the fact that it is not just the General Staff of the Ministry of Defence, but of *all* the Soviet armed forces, which apart from the forces subordinate to the Ministry of Defence includes:

— the MPD;
— the KGB troops:
  (i) the Border Guards;
  (ii) the Kremlin Guard;
  (iii) the KGB Special Signal Troops;
  (iv) the KGB Special Covering Guard;
— the MVD Security Troops.

It has to be pointed out, however, that as far as the armed forces not subordinate to the Minister of Defence are concerned, the GS fulfils the function solely of coordinating their activities with the activities of the forces controlled by the Minister of Defence, and has no powers to issue orders to KGB or MVD troops.

THE coordinating role of the GS can be seen particularly well inside the Ministry of Defence. It involves, among other things, the coordination of activities of all deputies of the Minister of Defence, of all C-in-Cs of the five main forces and all the main directorates and separate directorates of the Defence Ministry. All in all, there are some 60 central military organs and High Commands whose activities are coordinated by the General Staff.

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The General Staff initiates, organizes, and prepares the elements of decisions to be taken by the MMC, DMC, the Defence Minister, and the SDC, and subsequently organizes and controls the implementation of those decisions (directives, orders and dispositions). Additionally, in relation to all the Party, state, legislative and administrative authorities, the General Staff is the principal representative of the strategic interests of the Ministry of Defence, and often of the entire body of the Soviet armed forces, including those mentioned above which are not subordinate to the Minister of Defence.

The Division of Responsibilities in Decision-Making at the Central Level of the Defence Ministry

It has already been mentioned that the following are directly subordinate to the Soviet Minister of Defence:

— four first deputies;
— 10 deputies;
— 34 marshals, generals and admirals at the central level.

This list should be augmented by the further levels of leadership which are *directly* subordinate to the Minister:

— four Groups of Soviet Forces Abroad;
— 15 Military Districts;
— various military headquarters, centres of the armaments industry, and scientific-military research institutions.

In such circumstances, in order to reduce the work-load and ensure efficient decision-making at the central level, the Minister of Defence has delegated some of his powers in the following way: Marshal Ogarkov, ChGS, coordinates the activities of the Defence Ministry, of all its deputy ministers, and of all the Soviet armed forces in matters concerned with strategic-operational, organizational and mobilization issues; Marshal Sokolov is responsible for all other matters of the Ministry of Defence's concern, primarily for administrative, logistic and financial matters; Marshal Kulikov is responsible for affairs relating to the Warsaw Pact and the Joint Armed Forces of the Warsaw Pact, and operational preparations in the European Theatre of War; General of the Army, Epishev, is responsible for the political supervision (in the broad sense) of the armed forces. He supervises not only the activities of the MPD which is directly subordinate to him, but also, on behalf of the Defence Minister and the Party Central Committee, the following organs of the Soviet armed forces:

— Military Counter-Intelligence (only in matters of coordination, not subordination);
— the military organs of justice, including the Military Chamber

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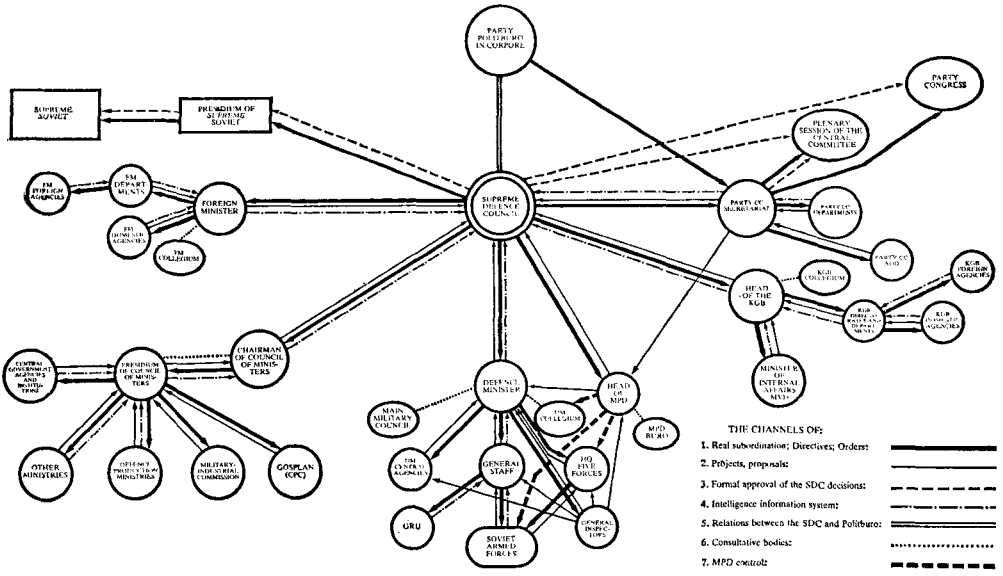
— of the Supreme Court;
— the Office of the Military Prosecutor;
— the Soviet Central Coordinating Commission for Military History and the Institute of Military History;
— Commission for Peoples' Control of the Armed Forces;
— the Main Personnel Directorate of the Defence Ministry;
— the official daily newspaper of the Defence Ministry *The Red Star*;
— the central publishing house of the Defence Ministry *Voenizdat*.

This division of responsibility [56] at the level of first deputy does not, however, mean that, for example, Admiral Gorshkov, the "father" of the Soviet navy can only consult Marshal Ogarkov on each issue, or that Colonel-General Shabanov, Deputy Defence Minister for Armaments, can only consult Marshal Sokolov. Each of the Deputy Defence Ministers has a right to direct consultation with the Minister of Defence on each issue, but in practice this is done through the relevant departmental first deputy minister, or by direct consultation between the Minister and all his deputies, which usually takes place at the meetings of the Collegium of the Ministry of Defence.



[56] For such a precedent see *50 let vooruzhennykh sil SSSR*, op. cit., pp. 234–35, where there is a detailed description of the division of responsibilities of all seven deputies of the People's Defence Commissar (Defence Minister) just prior to the German invasion of 1941.

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The Structure of the Main Channels of the Military Decision-Making System at the Highest Level

This structure is depicted in the adjoining chart. We shall outline here its strategic-military aspect only.

Relationship between the SDC and the Politburo

This was investigated in some detail in the preceding sections of this study. Here, we would like to draw the reader's attention to the term "Party Politburo *in corpore*" used in the chart. As we have tried to show, since most of the Politburo members are also members of the SDC, the role of the fully constituted (i.e. *in corpore*) Politburo is limited, as far as military and other issues in the SDC's sphere of interests are concerned, to *ex post* acceptance of SDC resolutions. Thus, the link between the Politburo and the SDC shown in the chart has a separate graphic representation.

The Channels of Real Subordination, Directives and Orders

These depict the real, and not the theoretical, institutional subordination of main Party, government, parliamentary and military authorities in the Soviet Union. These channels also carry (from the top down) the directives, orders and instructions in military and other matters which are in the SDC's field of activity. Here some notes are called for. As the diagram shows, the head of the MPD is simultaneously subordinate to two authorities: the Secretariat of the Central Committee of the Party and the SDC (or, strictly speaking, directly to Brezhnev). In a way, he can also be seen as the Minister of Defence's deputy for political affairs. I say "in a way" since in contrast with the political officers at the lower levels of command, who officially bear the title of Deputy Commander for Political Affairs or, at the strategic or operational level, the title of Member of the Military Council, the head of the MPD does not have the official title of Deputy Minister of Defence, but has a nearly equivalent status. This is supported by the frequent occurrence in Soviet communiqués and documents of the official term "The Ministry of Defence and the Main Political Directorate." In official records, General of the Army Epishev, Head of the MPD, usually occupies the third, fourth or fifth position among the first deputies of the Minister of Defence.

As for status, the MPD is considered to be on a par with a department of the Party Central Committee, which in the Soviet hierarchy usually designates a position superior to that of a ministry. And since the Ministry of Defence is, as it were, a super-ministry headed by a Politburo member, the MPD is obviously, although not more important than the Ministry of Defence, a principal (but not sole) authority for the political supervision of the Soviet armed forces, a body with great power and authority.

It can be seen in the chart that the following ministries, those of

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Defence, Foreign Affairs and Internal Affairs, as well as KGB headquarters, are not in fact subordinate to the Premier of the Soviet Union, contrary to the constitution. They are really controlled by the SDC or, more precisely, directly by Brezhnev.

Channels Used for Projects, Proposals, Reports, etc.

The main channels of this type are shown, but principally those which are parallel to the channels of subordination. Projects and proposals also have a horizontal structure (which, in order to preserve its clarity, is not shown in the chart) such as, for example, when the Ministry of Defence puts forward certain proposals to the head of the KGB on the subject of joint land exercises with the Border Troops. In such circumstances, the decision does not have to be taken by the SDC; the approval for this type of project can be negotiated between the two relevant institutions.

The Channel for Formal Approval of SDC Decisions

The chart provides only a pictorial representation of the issue discussed on pp. 196–197. It should be mentioned here that since the end of the Second World War (or more precisely since 1940), the plenary sessions of the Central Committee have considered military matters only once, this was in 1957, when the issue of removing Zhukov from the positions of Minister of Defence and Politburo member was considered. The Party Congress, in general, passes only very broad resolutions on military affairs.

The Main Channels of Intelligence Information

The chart very vividly illustrates the author's thesis that all the threads of the gigantic, many-sided Soviet intelligence network meet in the end at the SDC, which is the main intelligence coordinator and inspirer.

Consultative Bodies

In addition to the previously mentioned Collegia (of the Ministry of Defence, of the KGB and of the Ministry of Foreign Affairs), we should mention two further consultative bodies, which are shown in the chart. The first one is the MPD Bureau—a collective consultative body of the Head of the MPD. The second is the Presidium of the Council of Ministers which is composed of all the deputy-premiers and other important government figures. This Presidium, besides its function of coordinating the government's activities, constitutes a kind of collective advisory-consultative body for the Premier of the Soviet Union.

Particular deputy-premiers coordinate the activities of ministries and other central authorities of ministry level subordinate to them, and also of relevant inter-ministry committees. One of these com-

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mittees—the Military-Industrial Committee (MIC), is headed by deputy-premier Smirnov. It is perfectly understandable that before any important proposal is put forward to the SDC, it must be agreed to the smallest detail by Smirnov and Ustinov. Only in rare circumstances, when there is a conflict of interests between these two persons, or rather between two institutions, is the matter resolved by the SDC, provided that previous intervention of the Premier of the Soviet Union has failed.

HERE we come to one of the most important features which, for technical reasons, was omitted from the chart. This is the channels of coordination of projects, resolutions, directives, orders and dispositions.

The Channels of Coordination

In the system of military decision-making with which we are concerned, the channels of coordination (in Russian: *soglasovanie*) are used most often, both between organizations at the same level of the hierarchy (i.e. horizontally) and in relations between superior and subordinate organizations (i.e. vertically).

It is worth mentioning that in the Soviet Union, in all areas of Party, state, administrative, economic, etc., activities, the term *soglasovanie* is probably the most frequently used.

Each draft of each decision, on any issue, at any level has to include a greater or lesser number of signatures of personalities representing interested institutions, in order to show that the given draft has been approved by the institution. There are two reasons for this, and it is sometimes difficult to establish which of these is of greater importance for the institution initiating the given draft.

First is the understandable need to obtain approval for a given project from institutions interested in its implementation. This helps in coordinating the views and opinions which in turn later help to facilitate coordination at the implementation stage of the project. The second reason is that of straightforward insurance (in Russian: *perestrakhovka*)—in the most negative sense of the word: in order to protect oneself against the adverse consequences of implementation of a given project, by ensuring that its failure will be the responsibility of the greatest possible number of people and institutions at the highest possible levels of authority with whom the project was agreed.

As a result of this practice, which is notorious in the Soviet Union, the cycle of planning, drafting and programming, as well as the cycle of taking binding decisions by the relevant competent bodies, is extremely long. As an effect of this, we observe a common and permanent phenomenon of " loss of time " for the executors of the given decision. This is also true in military matters, where each project,

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before it is presented to the SDC must previously be investigated by all the institutions interested in it.

It is obvious that, because of the necessity of keeping state and military secrets, the number of people allowed to give opinions on drafts of resolutions and decisions to be taken by the SDC is very limited and sometimes, on matters of utmost secrecy, it is very small indeed. But, as a rule, there is a tendency to obtain a maximum possible number of signatures approving a given draft before it is presented to the decision-making authority. It is for this reason that the channels of coordination are omitted in the chart, since otherwise all the institutions shown in the diagram would be cross-connected by these channels. This would render the diagram virtually unintelligible.

AFTER the deaths of Kosygin and Suslov, apart from Brezhnev the two most important members of the SDC, the biological erosion of this body is clearly imminent. The average age of its members is still over 73, and visible signs of deterioration in Brezhnev's state of health have begun to appear more frequently. All this has inevitably brought to the fore the problem of the succession.

Whichever individual wins the struggle for the succession—and the three pillars of the Soviet regime: the Party, the army, and the KGB, will naturally provide the background for the contest—the position and the role of the Supreme Defence Council will remain basically unchanged. Its prerogatives depend not so much on the personality of the man who happens to be at the top of the pyramid of power, as on the objective reality of how this power is exercised now that the present system has been working for several years and can be considered to be established.

As long as this is the case, the SDC will continue to play a key role. Indeed, it is probable that it will be the forum for preliminary decisions about the succession to Brezhnev, and will resolve the question as to whether the new leader should concentrate in his hands the three most important Party, state and army roles, as did Brezhnev, or whether these should be shared among different individuals.

It is also likely that the personal and numerical composition of the SDC will change as a result of the struggle for the succession. The victorious coalition will undoubtedly increase its representation in the SDC so as to be able to dominate it permanently. But, as the established kernel of the Politburo, the SDC itself will remain the top decision-making body in the Soviet power structure.

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Henry Kissinger: The Switch-Doctor

Edward J. Rozek

CONSISTENCY, said Hilaire Belloc, is the hobgoblin of little minds. Henry Kissinger does not suffer from this particular failing.

In the fifties he published his *Nuclear Weapons and Foreign Policy* which was supposed to clarify such issues as "flexible response" and "limited war," but only contributed to the confusion. Soon he abandoned the positions he had taken in this book. Before Nixon became President, Kissinger was critical of *détente* policy and summitry, only to become their foremost promoter when he became the National Security Advisor and then Secretary of State. He promoted the SALT Process on the premise that strategic nuclear superiority is meaningless ("What in the name of God . . .") only to admit later that it is not. He fought the Jackson Amendment tooth and nail. But recently he attacked President Reagan for insufficient use of the economic weapon in the case of Poland. He reemerged as a hardliner, having switched from *détente* policy without ever having made an honest reappraisal of it. He still fascinates the public and practices on it his calculated ambiguities and self-serving sophistries. This is a true case of a political witch-doctor among the bewitched media men. When is the next switch going to be? On the issue of the "no first use" declaration? Or on the freeze proposals? There are already some indications in this direction. But whatever happens, he will not try to confront squarely his past and his current positions, but will use his public relations wizardry to gloss over his inconsistencies.

In the second instalment of his apologia for the most disastrous period in the history of America's foreign policy, entitled *Years of Upheaval* (Little, Brown and Co., Boston, 1982, 1,283 pp.), Henry Kissinger continues to celebrate his own gyrations on the world scene. The book covers the years 1972 to 1974 which were dominated by *détente*, the Vietnam cease-fire, the Yom Kippur War of 1973 and Watergate, which Kissinger uses as a general excuse for his own failures. After reading this volume, I had almost the same feeling as after reading Albert Speer's *Inside the Third Reich.* In each case, and of course I am not comparing here the nature of policies, the author blames everybody but himself for the tragedy that befell his country, even though each was partly responsible for it. I do not question Kissinger's patriotism, but I do question his policies.

Kissinger's thought processes may be subtle, but his book is repetitive and his style turgid. He may be an accurate portraitist of others, but he is extremely generous in bestowing accolades on himself and exceedingly modest in accepting responsibility for the monu-

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mental failure of American foreign policy conducted under his aegis. Indeed, every page of Kissinger's memoirs sings the praises of his own cleverness. He has no equal in affectionate denigration or in self-aggrandizement. It must be that he believes that most people do not remember the facts or that he himself does not, for the facts hardly support this self-image.

Transparent also throughout the book is Kissinger's insecurity about his own place in history. Thus, whenever disaster occurs, he puts the blame on others—in particular on Congress, Watergate and Nixon: a strange combination. In contrast to the first volume of his memoirs, *The White House Years*, in the second volume Kissinger treats Nixon with some sympathy. Yet, somehow the President emerges as a pitiful figure who was lucky because he had Kissinger to bail him out of his many domestic and foreign debacles.

Kissinger gives the following self-effacing account of how he became Secretary of State. One day, while swimming in the San Clemente pool, out of the blue Nixon informed him that he was going to appoint him Secretary of State that very day. The reason for his appointment, according to Kissinger, was that, although Nixon never wanted a strong Secretary of State, he had been so crippled by Watergate that he had to have a strong figure in that position to conduct foreign policy. Therefore, says Kissinger, Nixon "had no choice but to fall in with the notion of my central role, no matter how wounding or how unfair." This is a point which is iterated and reiterated *ad nauseam* throughout the book.

Another version given by those in the know is that, in fact, when Nixon was about to be mortally wounded by Watergate, Kissinger passed word to him that, unless he were appointed Secretary of State, he would leave Washington. The desperate Nixon, not wanting to lose the one media hero in his administration, acquiesced. This is a far cry from Kissinger's assertion in his memoirs that, until Watergate became so serious, he was planning to leave Washington at the end of 1973.

THE foreign policy which Kissinger conducted was worse than that of Neville Chamberlain. In a series of contemporary Munichs, Kissinger developed a *détente* policy which served only the interests of the Soviet Union and our other adversaries; the United States gained nothing. President Truman tried to contain the Soviet Union through the Truman Doctrine and the Marshall Plan, a realistic approach backed by the formidable power of the United States. Kissinger, on the other hand, attempted to achieve the same thing through a doctrine which was a curious mixture of child psychology and geopolitics. According to Kissinger:

> *Détente* was . . . built on the twin pillars of resistance to Soviet expansion and a willingness to negotiate on concrete issues, on

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> the concept of deterrence and a readiness to explore the principles of coexistence.

In actuality, this so-called strategy was based not on real power (there was no resistance to Soviet expansion), but on the unsubstantiated belief that if the Soviet Union received economic, political and military concessions from the United States, it would behave properly.

The tragedy for the United States was that Kissinger was convinced that a one-sided *détente* was the only solution to world problems. For him this unilateral *détente* became the same as the Maginot Line had been for the French before the Second World War. His idea was based on the infantile notion that one could induce the communists to behave in a reasonable manner by rewarding them for mere professions of good behaviour while ignoring their long history of treaty violations, broken promises and unscrupulous ruthlessness.

On numerous occasions, most notably after the signing of the SALT I Treaty, Kissinger and Nixon repeated the foolish slogan that they had succeeded in converting confrontation into negotiation. The result of this unrealistic assertion was to send a misleading message to the US allies, giving them a false sense of security. It also inspired a deceptive sense of euphoria in the United States Congress, a factor which, coupled with the Vietnam disaster, led to lower appropriations for defence. As a result, conventional forces were reduced and nuclear programmes retrenched at a time when the Soviets were expanding both their conventional and nuclear forces at a furious rate. Kissinger apparently believed that he could achieve diplomatic successes without the backing of military power. Yet, as Frederick the Great said (and who should know better than he?): "Diplomacy without arms is like music without instruments." In SALT I Kissinger put all America's trust into defensive nuclear weapons, and, relying on his fanciful concept of *détente*, gave his blessing to the grim spectacle of the West and the United States weakening their conventional forces while the USSR was multiplying its own in full view. By the time Kissinger left office, the Soviets had 10 times as much as the United States in conventional forces. In short, this hero of American diplomacy led, or helped to lead, the United States from safe military superiority to perilous military inferiority. For, in the final analysis, any future armed conflict between the United States and the Soviet Union is likely to be confined to the realm of conventional forces, with a potentially disastrous outcome for the West.

In this book, Kissinger does not in fact try to justify his *détente* policy; he just explains it away. Take the notorious concept of "linkage." Kissinger derides Senator Henry Jackson's attempt to use trade negotiations as a lever to secure a change in internal Soviet policy (on Jewish emigration). On the other hand, he clings to the view that, despite all evidence to the contrary, linkage can be used to moderate

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external Soviet policies. His position is neither coherent nor is it confirmed by experience.

WHEN Kissinger developed his concept of *détente*, George Meany had this to say of it:

> I wonder how we could have gotten so excited about something that was not much of anything anyway . . . The truth is, of course, a little different. What has happened is that, as public disillusionment with *détente* mounts, its proponents are retreating into a rhetoric of dampened expectations, of fuzzy ambiguity. You might call it a revolution of falling expectations.[1]

Actually, for the Soviets *détente* was a cold war pursued by other means, which was not to the advantage of the United States. Lenin was very perceptive when he said the following:

> As a result of my personal observations during the years of my emigration, I must say that the so-called cultural strata of Western Europe and America are not capable of understanding the contemporary state of affairs nor the actual alignment of forces; we must regard these strata as deaf mutes and withhold any respect for them accordingly. . . .

In spite of his claims and his colourful descriptions of his meetings with Brezhnev, Gromyko, Chou En-lai and Mao Tse-tung, Kissinger never understood the communist mind. As late as spring 1982, in a television interview on NBC about the second volume of his memoirs, Kissinger stated unabashedly that he was convinced that Brezhnev was a humanitarian and that he really cared about human beings. Then, after a short pause, he said: "Unless he fooled me." No Secretary of State has ever fallen victim to such wiles as persistently as Kissinger.

Kissinger believed in Brezhnev's goodwill and nurtured a long-standing delusion concerning his benevolence and moderation, consistently underestimating Soviet plans and accomplishments. In a letter to Eugene V. Rostow (dated August 1974), Kissinger stated:

> In the strategic area, while certain aspects of the Soviet arms program are disquieting, we frankly see no evidence of the Soviets' "headlong drive for first strike capability in both nuclear and conventional arms. . . ."

One of Kissinger's fundamental follies was his inability to understand that Soviet diplomatic strategy is based on Lenin's principle that negotiation is war by diplomacy. Therefore, there can be no permanent solution such as Western diplomacy aspires to; only conflict and tension by which the Soviet Union tries to extract concessions—one at a time—from its enemies.

Kissinger called his courting of the Soviet and Chinese communists

[1] Speech before the Senate Foreign Relations Committee, 1 Oct. 1974.

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an attempt to establish a "structure of peace," a term which has positive connotations. What it actually amounted to was a network of personal contacts which turned out to benefit the communists rather than the United States.

Kissinger blames the failure of *détente* on Watergate and the psychological hangover from Vietnam which weakened the authority and ability of the administration to conduct foreign policy. He also states that the conservatives, who basically distrusted the concept of *détente*, and the liberals, who hated Nixon so much that they would oppose anything he favoured, joined hands in what seemed to him an unholy alliance bent on destroying his foreign policy. He reserves his strongest guns for Senator Henry Jackson and his supporters. Kissinger was convinced that *détente*, an elaborate system of sticks and carrots, was sabotaged by Jackson's interference. What he did not realize was that *détente* consisted of carrots alone; there were no sticks. Senator Jackson certainly saw more clearly than Kissinger the consequences of *détente*:

> In 1969, the United States led the Soviet Union in every single indicator of strategic military strength: the number of land- and sea-based missiles, the number of warheads, the megatonnage of its missile force, the accuracy of its weapons, the potential of its missiles to strike protected targets, and so forth. Now, on the eve of the second arms treaty, the Soviet Union leads the United States in every one of these same indicators with only one exception, the number of warheads.

Some years after he left office, Kissinger stated: "Rarely in history has a nation so passively accepted such a radical change in the military balance." In response to this comment, the journalist, Patrick J. Buchanan stated:

> The tragedy of Henry Kissinger is that, given his unique position and unrivaled gifts of erudition and eloquence, he could have been a Churchill warning weekly for half a decade of that radical change. Instead he chose to defend a policy whose bankruptcy had become embarrassingly visible—but in which Henry Kissinger had foolishly invested his place in history.

The most charitable interpretation that can be put on Kissinger's views and description of the events in South-East Asia in 1973 and 1974 is that, at the very best, they were the triumph of hope over experience and knowledge. Kissinger blames the United States Congress for refusing all military aid to the countries of South-East Asia in the summer of 1973. He considers this action to be the main reason for the destruction of Laos, Cambodia and South Vietnam. There is no doubt that Congress was at fault in refusing that aid. Nonetheless, the seeds of the destruction of those countries were implicit in Kissinger's much-vaunted Paris Peace Accords and, what is more, Kissinger knew it, as is apparent from his memoirs.

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In February 1973, Kissinger travelled to Laos, Hanoi and Peking just a few weeks after the Paris Peace Accords had been signed. The Paris Peace Accords provided for an immediate cease-fire throughout Vietnam, the withdrawal of all American troops, the withdrawal of North Vietnamese troops from Laos and Cambodia, the release of prisoners of war, the prohibition of the infiltration of North Vietnamese troops and material into South Vietnam, and the prohibition of all military movement across the recognized Provisional Military Demarcation Line between North and South Vietnam. A political settlement in Vietnam was to be concluded later.

Yet, when Kissinger arrived in South-East Asia, the North Vietnamese had made no motion towards withdrawing their troops from Laos and Cambodia; in fact, a new North Vietnamese division had just been introduced into southern Laos. The North Vietnamese were still using the Ho Chi Minh Trail in Laos to transport troops and material to South Vietnam and continued to do so in violation of the Agreement. Moreover, Kissinger had been instrumental in getting the head of the Cambodian government, Lon Nol, to declare a unilateral cease-fire in the hope that the Khmer Rouge would be amenable to discussion and, possibly, to a coalition government.

Although Kissinger details the continuous betrayal by Hanoi of various agreements with regard to the independence of Laos and Cambodia dating from the 1950s and states that "We had no illusions about Hanoi's long-range goal of subjugating all of Indochina," he pretends to be outraged by Hanoi's violation of the Paris Peace Accords within days of its signing:

> Such was Hanoi's contempt for bourgeois notions of legality that it did not feel the necessity even for hypocrisy—of going through the motions of recognizing that a signed agreement imposed any obligations. Le Duc Tho had given me in Paris a written undertaking that a cease-fire would come into being in Laos within 15 days of the signature of the Agreement. That time period was nearly up and there was no sign whatever of implementation. Hanoi had suddenly made a cease-fire dependent—without a shred of legal basis and in plain conflict with the written understanding —on the conclusion of a political agreement. Then Hanoi topped this with another of its patented cynicisms. It stopped treating Souvanna Phouma (the head of the Laotian government) as head of the neutralist faction; it suddenly discovered a new "neutralist" group that not even its most devoted adherents had heard of previously. Hanoi's stooges also insisted that they would sign no document that did not condemn American intervention, thereby incorporating Hanoi's warped interpretation into the legal instrument ending the conflict and inhibiting recourse to American power to uphold the Agreement.

Kissinger makes frequent references to Hanoi's "characteristic cynicism." Yet he also makes comments such as: "... I still hoped

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that we could end the war without abandoning those who had relied on us," and "In (my) optimistic view the possibilities of a negotiated outcome in Cambodia had not yet been exhausted." The two points of view are simply not compatible.

It would be easy for an unwary reader to fall for Kissinger's ostensibly plausible explanations for all that happened, but a more cautious reader can only be left with the impression that, at best, Kissinger was himself dangerously confused; at worst, that he is trying to confuse the American public.

KISSINGER devotes many pages to his shuttle diplomacy in the Middle East which led to the end of the 1973 Yom Kippur War between the Egyptians and Syrians, and the Israelis. What he disregards is this: as long as the Syrian and Egyptian armies were pushing the Israelis back, the Soviets merely looked on. When the Israelis, having recovered from the shock of invasion, began to push back the Egyptian and Syrian armies, and were actually on the verge of cutting off the Egyptian army, Brezhnev demanded that Kissinger fly to Moscow right away. Within six hours Kissinger was on his way to see Brezhnev with full powers of negotiation granted to him by Nixon. The question is: why did Brezhnev demand Kissinger's actual presence? Was it because he was of the opinion that he could get the best deal from the gullible Kissinger who would not dare to return home empty-handed? Why could he not talk to the American Ambassador to the Soviet Union, or through the Soviet Ambassador in Washington, Dobrynin? Why was Kissinger at the beck and call of Brezhnev? In any case, the net result of Kissinger's shuttle diplomacy to Moscow was that the Israelis were stopped short of victory.

AS far as Watergate is concerned, Kissinger would never have become Secretary of State had Nixon not been in such a desperate situation as a result of Watergate. That Nixon was repeatedly "out of it," "obsessed," "preoccupied," "on the verge" (as Haig cryptically remarked), or "in the paralysis of an approaching nightmare" Kissinger makes plain. He rightly calls Nixon "the first victim of his own unharmonious nature."

After he had been out of office for some time, Kissinger apparently became much sounder. In an editorial which appeared in *The New York Times*, 18 January 1982, he states:

> A decade or so ago, when East–West trade, technology transfer and financial relations began to develop, many believed that economic ties could become an instrument—among others—for moderating Soviet conduct. In a crisis, we thought, the fear of losing markets or access to raw materials, Western technical innovations, or bank credits would produce Soviet caution. But this assumption presupposed a Western willingness to use its economic strength in the service of an overall strategy. That

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> clearly has not happened. On the contrary, so many Western nations have let themselves become dependent on Soviet trade that a trade cut-off is more likely to turn into a Soviet weapon against the West. Our farmers this year will take satisfaction in the sale of 23 million tons of food to the Soviet Union. But what will happen when all our plantings and our entire agricultural economy become permanently geared to this level of Soviet imports? Who then has the stronger negotiating position? . . . The industrial nations fiercely compete to fulfil Lenin's dictum that the capitalists would in time fight over the privilege of selling the rope they would be hanged with. There is an urgent need to establish ground rules to guide East–West trade and finance.

Yet, the above-mentioned phenomena were the result of Kissinger's own policy of *détente*. There seems to be a tremendous difference between the Kissinger in office and the Kissinger out of office. . . .

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After Tito

Nora Beloff

THE topic is more exciting than the book.* Mr. Stankovic is remarkably well versed in Yugoslav official publications and pronouncements, and his brief volume is stuffed with lengthy quotations from authentic sources.

Senior Research Analyst for Yugoslavia at Radio Free Europe, Stankovic is certainly not a communist sympathizer. He recognizes the gap between Titoism in theory and Titoism in practice and notes that the Yugoslav authorities "employ Marxist phraseology in justifying their non-Marxist and even anti-Marxist conduct." The strange thing is that, despite his insights, he still remains so immersed in official double-talk.

He describes the Yugoslav system as a "socialist market economy," though he knows that there is virtually no competition. And he uses the misleading term "social compact" to describe the fact that the authorities have to knock heads together to induce enterprises to accept government controls on wages, investment and prices. Instead of saying this he puts the point indirectly:

> Most Yugoslav writers believe that their country has been plagued more by contradictions than by conflicts. In their opinion, contradictions and conflicts can be either resolved or relativized, but in both cases only within a system of "self-management" and "social compacts." They also stress that certain serious conflicts cannot be resolved but only relativized or reduced to a minimum.

My own talks with Yugoslav commentators suggest that the least of their present worries is the doctrinal distinction between conflict and contradiction.

On self-management, a system which has intrigued so many Western reformers, Stankovic cites Professor Neca Jovanov, "one of the most valuable analysts of conditions among Yugoslav workers," who believes that the whole experience is a sham. Stankovic quotes the professor's view that all decisions are taken by managers under Party direction and that "the president of the workers' council leaves the meeting obligated to get the decisions accepted by the workers' council." He also records the futility of succeeding efforts to improve on the original model:

> In fact, the Yugoslav leaders have always successfully prevented the full implementation of their own schemes. Whenever they felt that a reform was beginning to threaten their monopoly of power, they replaced it by a new reform.

*_The End of The Tito Era_ by Slobodan Stankovic. (Hoover International Studies, Hoover International Press. Stanford University, California.)

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Yet, despite his scepticism, Stankovic treats us to a whole chapter on the theories of that prolific Slovene ex-schoolmaster, Edward Kardelj, who spent his formative years in Moscow and, for almost three decades, was constantly dreaming up a new Marxist-Leninist formula to conceal his repeated failures to produce the promised results. The regime he left behind him paradoxically depends for its survival on the provision of jobs and hard currency loans from the capitalist West. Stankovic gives us the welcome news that since Tito's death, there is " seldom, if at all, any mention of Kardelj's theories ": they are still taken seriously only, it seems, by the author.

The book provides interesting information about the size, composition and hierarchy of the Yugoslav army, but tells us disappointingly little about the secret police. Yet the importance of the latter is constantly confirmed by pro-Western Yugoslavs at the receiving end, who dare not organize gatherings or express controversial views for fear of arrest or summary beatings-up.

Nor is it much help for us to be told that the army, over which, Stankovic says, " the civilians cannot exert serious control," plays an important political role and that, if the regime should collapse, the country's destiny would be in the hands of army generals. We are not told what the generals would do. As the personnel of the army and of the Communist Party (of which almost all officers are members) have a similar education and rely on the same channels of promotion, there is no reason why they should be all that different from the civilians.

Stankovic refuses to recognize that the principal reason why Yugoslavia is so misgoverned is that people are promoted for political reasons rather than for merit. In describing what went wrong, he accepts the official scapegoat of " techno-bureaucracy " even though the experts to which this epithet applies—technicians, bankers, economists, entrepreneurs and administrators—have never been given their head. Echoing the official line, he not only deplores " techno-bureaucratic attitudes " in the army, but adds:

> However, the Party also has to contend with a techno-bureaucratic approach in economic life, which is as dangerous as the army bureaucracy, and eventually led to the nationalistic outbursts in Croatia and elsewhere.

But did it? Would it not be more convincing to attribute the " outbursts " in Yugoslavia as in other communist countries to the corrupt incompetence of one-party rule, and to the stultifying effects—particularly in a country as variegated as Yugoslavia—of the monolithic ideology?

THE title of Stankovic's chapter on Tito's successors is " A plethora of candidates," but he brings out leadership qualities in only two of them: the Slovene, Stane Dolanc, whose career, he says, has been

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irremediably ruined since the revelation that he once belonged to the Hitler Youth, and the aging and ailing Croat, Vladimir Bakaric. Tito notoriously distrusted intelligent and independent-minded men and there may well be existing talents which have not yet come forward. The chapter, however, suggests paucity rather than plethora.

The final part is mainly an analysis of textual modifications to the constitution and Party rules. Stankovic concedes that the details of collective leadership have been spelt out only in relation to the state. There is still uncertainty about how the system is supposed to operate in respect of the far more important Party apparatus.

In trying to clarify the Party role, the author cites "Yugoslavia's most prominent constitutional theorist," Professor Jovan Djordjevic, who has this to say:

> The Party may say the truth and is obliged to say it. However, the Party only reveals the truth and creates the conditions in which it is formed and expressed; the Party elevates the truth to the level of a more general consciousness in which one can seek for better and newer truths in socio-political practice, in self-mangement, in which truth remains a component of the practice, of the people's consciousness.

Fortunately, Stankovic also gives us the view of Milovan Djilas, whose prose is less ambiguous:

> Nobody really believes in communism. When we talk about communists, we are talking about phantoms. The communism of old is dead. Only the structures it created remain behind.

Of these structures little is said. We know, although not from Stankovic, that they consist of a network of local potentates owing their allegiance to the group (selected by Tito) who, under the collective leadership rules, play musical chairs for the top posts. The "new class," as Djilas called them, are held together partly by the fear that change would lose them their privileges, and partly by their monopoly of patronage—though this, in the present crisis, is in somewhat short supply.

THE principal weakness of the book is its failure to examine the capacity for survival of a system which depends neither on popular consent, nor on traditional institutions, but on victory in a civil war which ended 37 years ago. Stankovic perceptively predicted that revolt would come first in Kossovo, the poorest of the eight federal entities and the least socially integrated, and indeed after the book had been written the outbreak took place. But a book on the post-Tito era should also contain at least some informed guesses about whether other, more populous, and developed regions may not challenge rulers whose claim to power rests not on free elections, but on their kinship or personal relations with the now mostly dead Partisans.

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